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HEARINGS BEFORE THE NATIONAL
COMMISSION ON URBAN PROBLEMS

Los Angeles

San Francisco

NATIONAL COMMISSION ON URBAN PROBLEMS

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HEARINGS BEFORE THE NATIONAL COMMISSION ON URBAN PROBLEMS

Volume 2
Los Angeles

June-July 1967
San Francisco

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NATIONAL COMMISSION
ON URBAN PROBLEMS

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preface

The National Commission on Urban Problems was appointed by President Lyndon B. Johnson on January 12, 1967. He charged the Commission with seeking ways to increase the supply of decent housing for low-income families. He urged that the search for a "revolutionary improvement in the quality of the American city" focus on a variety of issues including building codes and technology, zoning, land use, housing codes, Federal, State and local tax policies, and development standards.

Congress in the Housing and Urban Development Act of 1965 authorized a study of these issues and provided funding in 1966. The Commission is to report before December 31, 1968, to the President, to the Congress, and to the Secretary of Housing and Urban Development.

During the first 10 months of its existence, the Commission spent 32 days holding hearings in 18 cities in all sections of the country, and in addition met in business sessions 13 times. The Commission heard from private citizens and experts, as well as from officials. To learn by seeing and hearing as well as by studying, the Commission spent long hours inspecting the slums and blighted areas and also the showcase developments of these cities. This, too, they did with officials, with private citizens, and by themselves.

Such intensive study gave the Commission the flavor of the American scene of the Sixties—the hopes and angers, dreams and frustrations, the plans that work and those that do not, ghettos and swimming-pool-in-every-yard suburbs, beauty and ugliness, slum nightmares and low-income neighborhoods reflecting care and pride, public housing atrocities and public housing gateways to the good life. And the Commission could not help confronting the complex issues of race which interweave so many aspects of urban life.

While the Commission is drawing conclusions from its hearings, on-site inspections, and a comprehensive research effort, this publication is offered in the belief that the public will find useful insights in the testimony.

For reasons of economy and for the convenience of readers, repetitive descriptions of the Commission's task, addressed to each new gathering, are deleted. Introductions of the invited witnesses are summarized in footnotes. The many public witnesses are identified according to information they presented. Much valuable written material submitted to the Commission, incorporated into the official records, is on file and is receiving scrutiny by members and staff.

Volume 1 included hearings in Baltimore, New Haven, Boston and Pittsburgh, held between May 12 and June 10, 1967. This Volume 2 includes hearings in Los Angeles and San Francisco from June 30 through

July 7, 1967. The succeeding three volumes are being printed in the order the hearings were held (see schedule, inside back cover). Under the direction of Howard E. Shuman, Executive Director, and in cooperation with Mrs. Jane Carey Enger, Administrative Officer, Walter Rybeck, Assistant Director, had primary staff responsibility for setting up the hearings and for editing Commission publications. Mrs. Marion Massen, Associate Editor, directed the indexing, graphics, and annotations designed to make these hearings useful for reference and research work.

The Department of Housing and Urban Development, many of whose officials have contributed to the Commission's research effort, has been invited to present a statement in the final volume of the hearings, responding to statements and questions pertaining to Federal housing and urban development programs and policies.

contents

Preface	iii
Los Angeles	
BUILDING CODES AND HOUSING COSTS	
PAUL H. DOUGLAS—Purpose and Scope of Hearings	1
JACK E. TAYLOR—California's Buildings Standards Commission—Rather than a National Code . . . —Code Administration: Home Rule Important	3
T. H. CARTER—Purposes of ICBO—Model Code Groups in Co-operative Effort	9
RAYMOND ZIEGLER—Uniformity Not the Answer	14
QUESTIONS BY COMMISSION MEMBERS—Organization of Appellant Bodies—Involvement of Labor Unions in Code Revisions—Codes and Low-Cost Housing—Conflicts in Codes	18
PUBLIC WITNESSES—James Carbray: Property Tax Relief for the Elderly—Arthur G. Price: Look at the Whole Picture—Ralph Lewis: Variety in Code Demands	39
LAWRENCE WEINBERG—Where the Costs Lie in Building	44
ELMER E. BOTSAL—Building Codes in California—Drawbacks to Adopting New Building Techniques	57
BRYAN P. DEEVERS—Labor's Contribution to New Construction Methods	61
KENWARD S. OLIPHANT—Research Continuity a Necessity....	62
QUESTIONS BY COMMISSION MEMBERS—Mobile Homes Standards—Underground Utilities—Effect of Codes on Housing Costs—Labor Costs and Construction—Building Codes and New Materials — Uniformity of Testing — Apprentice Training and Work Picture—Space and Safety of Mobile Homes—Passing along Underground Utility Costs	64
PUBLIC WITNESSES—Fannie C. Mobley: Watts Community Action Group—Sho Muruyama: Retroactive Code Enforcement	89
PEOPLE AND THE INNER CITY	
JESSE SPRAY—Public Housing in Los Angeles City	93

THE REV. WILLIAM HERVEY—True Concept of Community Organization	96
MRS. MARIAM ANSPACHER—Communicate with the People	101
DR. J. ALFRED CANNON—Positive Aspects of the Ghetto	103
LAWRENCE NORTHWOOD—Self-Help v. Mutual Aid—The “Small Area” Approach	108
IGNACIO AGUILAR—Settlement Houses in Trouble	114
MRS. VERA LOPEZ—A Welfare Recipient Looks at Public Agencies	115
QUESTIONS BY COMMISSION MEMBERS—Citizen Advice Bureaus in Neighborhoods—Retain the Best of the Ghetto—Genuine Coalition is Needed—Characteristics of a “Barrio”—Join Public and Private Agency Efforts	119
PUBLIC WITNESSES—Anthony Curtis: Poor Suffer under Renewal—William Smith: Communicating about Architecture—Mrs. Joyce Stanley: Community Self-Help—Walter Ehrhard: Extended-Family Housing	137
LAND USE AND HOUSING COSTS	
JOHN W. DYCKMAN—New Approaches to Combat Sprawl—Government Abets Leapfrogging—Artichokes, Brussels Sprouts, Wines	145
VICTOR PALMIERI—Happy Home Buyers, Unhappy Urban Designers—Realities of Low-Cost Housing in Central City—Needed Elements in National Policy for Housing	153
FRED CASE—Fragmentation of Power—No Leadership in Land Use Decisions	161
QUESTIONS BY COMMISSION MEMBERS—Land Costs and Housing Costs—Zoning, or Something Else?	168
PUBLIC WITNESSES—Ralph Lewis: Homebuilders’ View on Land Prices—Mrs. Roosevelt Metcalf: Citizen Action to Keep Park—Alec Mann: Federal Agencies at Cross-Purposes	186

San Francisco

PROBLEMS OF THE URBAN FRINGE

SAMUEL E. WOOD—Local Government Responsibility for Uglification—Federal Tax and Fiscal Policy Share Blame—How to Bring about Effective Land Control	201
WILLIAM T. LEONARD—Authority-Responsibility Equation Missing—Federal Control through Planning-Aid Program	206

ALLAN TEMKO—Federally Subsidized Destruction—Effects of Industrial Flight	210
QUESTIONS BY COMMISSION MEMBERS—Program Coordination: How to Accomplish?—Encouragement for Metropolitan Government	215
PUBLIC WITNESSES—Prof. Paul Taylor: Tool for Land-Use Control—"160-Acre" Law	234
PUBLIC HOUSING, RENEWAL, POOR PEOPLE	
NATHAN GLAZER—Public Housing Not a Success—Approaches to Corrective Action in Question—Alternative to Present Approaches—Main Key: Not Housing but Income	237
DOLORES F. HOLLIWAY—Public Housing up to Voters	251
WILLIAM SLUIS—Potentially Prime Land Blighted	256
JOHN HIRTEN—Local Government: Chief Mechanism for Development—No Present Substitute for Public Housing—Finance Citizen Organizations	261
QUESTIONS BY COMMISSION MEMBERS—Poverty-Participation in Policy Making—Need for Social Services in Public Housing—Riddle of Public Participation in Planning—Usefulness of Community Renewal Program	267
PUBLIC WITNESSES—Alan Maremont: Nonprofit Sponsors for Low-Rent Housing—Bernie Dolan: Management-Tenant Communication—Joel August: Relocation from Western Addition—George Johns: Loss of Jobs in Center City—Joline Hensley: Educate the Poor People	280
DESIGN IN THE CITY	
JOSEPH EICHLER—Obstacles to Good Design	292
JUSTIN HERMAN—Ways to Achieve Good Design—Usefulness of Competitions—Need for Illustrative Housing	294
VERNON DeMARS—Why Do Our New Towns Stop Short?—Effect of Building Codes on Urban Form—Subdivision Standards That Block Design—Toward Minimum Recommendations	299
QUESTIONS BY COMMISSION MEMBERS—Freeing up Development—Cost of Good Design—Matter of Densities—Pace of FHA—Coordination of Design—Way into Building Codes with New Products—Rehab not Universal Economic Answer	306
TECHNOLOGY, BUILDING CODES, AND COSTS	
DAVID S. PLUMB—Acceptance of New Products Slow—Obstacles to Overcome—High Hopes Terminated or Mothballed.....	334
QUESTIONS BY COMMISSION MEMBERS— A Thousand Plastic Tubs—House Building Not Like Automobile Industry.....	342

THOMAS PAINE—"Hardware" and "Software" Technologies —Systems Approach to Urban Problems	349
EDWARD K. RICE—Instant Rehab in New York City—Build- ing Codes Stifle Initiative—Total-House: Total Systems	353
QUESTIONS BY COMMISSION MEMBERS—Preassembled Housing in Richmond—Jobs for Ghetto Residents—Learning Curve for New Technology	358
PUBLIC WITNESSES—William Weidesime: Cost of New Pro- duct Approval—Anson Bowling: Competition with Plastic Pipe....	373
GOVERNING THE URBAN AREA	
ROBERT STEADMAN—Four Qualities of Effective Local Gov- ernment—Most Local Governments Too Small—Overlapping a Weakness—Excessive Reliance on Property Tax	378
CHARLES LeMENAGER—Government Structure in California —Revenue and Expenditure Patterns—Intergovernmental Co- operation—California's Devices—Role of State Government— Federal Programs and Urban Government	386
THEODORE MERIAM—California Is Different—Pioneering Tools for Problem Solving	396
QUESTIONS BY COMMISSION MEMBERS—Quality of County Government—Lack of Local Revenue—Codes and Zoning as Detriments—Local Government Reluctance to Join Forces— Application of Regional Planning—Rationalize Metro Patterns through States?	407
PUBLIC WITNESSES—Mrs. Robert Bull: League of Women Voters Position—Daniel Cook: 100 New Cities—John Beau- champ: Neighborhood Effort	427
VICTOR JONES—Regional Government in Development— Intergovernmental Poker	432
JESSE UNRUH—State Responsibility in Urban Problem Picture	441
QUESTIONS BY COMMISSION MEMBERS	449
MAYOR JOHN F. SHELLEY—Limited-Function Regional Gov- ernment, or Else—Metropolitan-wide Housing Supply for All	464
QUESTIONS BY COMMISSION MEMBERS	471
PUBLIC WITNESS—Hans Schiller: Public Ownership of Land	475
Index	478
List of Commission Members	inside front cover
Schedule of Hearings	inside back cover

Los Angeles

Commission Members Present: CHAIRMAN PAUL H. DOUGLAS, DAVID L. BAKER, JOHN DEGROVE, ANTHONY DOWNS, EZRA EHRENKRANTZ, ALEX FEINBERG, JEH V. JOHNSON, JOHN LYONS, RICHARD W. O'NEILL, CHLOETHIEL WOODARD SMITH, TOM J. VANDERGRIFF, COLEMAN WOODBURY

The first day of hearings in Los Angeles was aimed at a searching look at building codes as they affect the cost and the supply of housing—particularly of housing for low-income families.

*Board of Education Building
Los Angeles, California
Morning, June 30, 1967*

BUILDING CODES AND HOUSING COSTS

MR. DOUGLAS: I must apologize for being slow in getting under way, but the television reporters delayed us.

We are indeed delighted to be in California, and in Los Angeles. This is the home area of one member of our Commission, Mr. David Baker, a County Supervisor in Orange County, whom I shall ask to take the chair when I complete my opening statement.

The National Commission on Urban Problems was established last January by President Johnson, both to carry out the charge he gave to us to find the means of providing an abundant supply of housing for Americans with low incomes, and also to carry out the provisions required by Congress in Section 301 of the Housing Act of 1965, which I shall explain later.

PURPOSE AND SCOPE OF HEARINGS

We have felt that in addition to our final report and research studies, the Commission could best perform its task by holding hearings in the urban areas of our country in order to see and to hear what is going on, and in order that the public at large might find this a means of concerning themselves with the very serious issues before us. We shall hold

hearings in 18 cities before we conclude our hearings in October this year.

But let me make it clear that we are not here to investigate this or any other city. We hope to see constructive examples, and to receive constructive suggestions as to how the problems we have before us may be met.

Each of our hearings is on a particular subject. Our witnesses are not only local citizens but will come from other places to give testimony when they can bring special knowledge to our attention.

Section 301 of the Housing Act of 1965 requires that we study building codes and their relationship to housing costs. Today our subject is building codes, and our witnesses are experts in the field of building codes and housing costs.

Tomorrow morning we shall hear a number of witnesses on the role of private welfare agencies in creating self-help opportunities in our urban areas. When we examine the subject of how to provide an adequate supply of housing for Americans with low incomes, as the President has asked us to do, we invariably come up against the problems of poverty and welfare and race. As a consequence, we are going into specific issues in connection with these matters.

Section 301 says that we should examine state and local zoning and land use laws. We shall do precisely that at our hearing tomorrow afternoon here in Los Angeles, and again next Wednesday morning in San Francisco. Under Section 301 we are also asked to inquire into the question of Federal, state, and local tax policies, and how Federal, state, and local government assistance can be directed to help solve our housing and related urban problems. That is why we shall spend a full day while we are in California examining the structure and financing of state and local governments.

Section 301 further states that the goal of a decent home in a suitable living environment is a goal which the Congress believes should be realized for every American family as soon as possible. That is why we shall spend time at our hearings examining how urban design can help to provide a suitable living environment for the American family, what programs are needed to produce an abundance of housing for those with low incomes, and how technology and innovations may help to cut the costs of housing without reducing, but, hopefully, while increasing quality.

We will provide a period at the end of each session if there are those who wish to file statements with us for our official record. The written matter may be of any length, but we shall have to limit witnesses to five minutes for a verbal summary of their views.

Now I wish to turn the chair over to a man who has been one of the most conscientious of our members, who has never failed to attend meetings in the East after traveling long distances; namely, Mr. David Baker.

MR. BAKER: We thank you, Senator.

First, I would like to welcome you all to Los Angeles and to California, Southern California in particular, and to the Golden West. We are very delighted to have you here as our guests and, as chairman, I hope that

your stay here will be a pleasant one.

We would like to ask Mr. Chaffee, who is the Deputy Superintendent of Schools, to approach the microphone.

MR. CHAFFEE: Mr. Chairman and members of the Commission, I am Everett Chaffee. Superintendent Crowther is on a commission somewhat similar to this. He is chairman of the Southwest Regional Laboratory Board of Directors, which is meeting today, so he could not be here. He asked me to bring greetings from the Los Angeles city schools.

As you know, we are right in the midst of this urban problem in Los Angeles, not only from the standpoint of all the community agencies in Los Angeles, but the Los Angeles city schools as well, and we are very pleased to act as hosts here today and have your Commission meet with us. Thank you.

MR. BAKER: Thank you very much, Mr. Chaffee.

We are indeed fortunate this morning to have as our witnesses Mr. Jack Taylor of the California Buildings Standards Commission; Mr. T. H. Carter, Managing Director of the International Conference of Building Officials; Mr. Raymond Ziegler, American Institute of Architects' Code Committee; and Mr. Elmer Botsai, also of AIA, who will share the time with him.

Our first witness this morning is Mr. Taylor, whose official title is Building and Housing Administrator. Mr. Taylor¹ comes to us from the City of Oakland, where he wrote the first housing code in the State of California.

We are indeed fortunate to have Mr. Taylor with us.

STATEMENT BY JACK E. TAYLOR

MR. TAYLOR: Good morning, Mr. Chairman and members of the Commission.

First of all, I would like to explain the history, composition, and present status of the State Building Standards Commission and its goal to establish and publish a State code.

California's Buildings Standards Commission

The State Buildings Standards Commission was established by the statutes of 1953. It originally consisted of seven ex-officio members, the State Architect, State Fire Marshal, and five department directors, all appointed by the Governor. It elected a chairman, vice-chairman and secretary annually from among its members, but had no funds budgeted for its operations.

In 1959, the Legislature placed the Commission in the Department of Public Works, designated the director of that department as chairman, and changed the composition of the membership to include an architect,

¹ Administrator of Department of Building and Housing of Oakland, California, and Chairman of the State Advisory Panel on Housing Regulations. Director of Oakland's first federally assisted rehabilitation project, in 1956. Twenty-one years' service as a public official of Oakland, in engineering and public administration.

a structural engineer, a contractor, and three local government officials. Some funds were budgeted, and preliminary work was started toward compilation of a State Building Standards Code.

During the 1962 special session, the Legislature placed the Commission in the Department of Finance, designated the Director of Finance, or his deputy, as chairman, and enlarged the Commission to 11 members; an additional member was appointed from organized labor in the building trades and three additional members from the general public. The amendments also increased the Commission's authority in the adoption and revision of building regulations.

In 1963 the Commission's functions were placed in a new Department of General Services. The chairman of the Commission is the Director of that department, General Andrew Lolli.

The statutes provide that the Commission shall publish a single code of all administrative building regulations of State agencies relating to building standards. This code, with index and reference guides, may include administrative building regulations or applicable building codes or portions thereof, that may be adopted by means of reference.

It is the purpose of the Commission to provide the means for eliminating duplication, conflict, and overlapping in State building regulations, and not to substitute the Commission for the responsibilities now vested by law in various State agencies. To that end each State agency concerned shall continue to prepare such building regulations as it is authorized to draw up and finds necessary, but such regulations shall not be effective until approved by the Commission. The Commission shall review such regulations, and if it finds duplication, conflict, or overlapping it shall require any agency to submit revisions of such regulations within not less than 120 days, nor more than 180 days after the date of the receipt of the request. If such agency does not do so within 180 days, the Commission may rewrite, edit, or amend such existing and proposed regulations consistent with the basic purpose of the Commission.

In this regard the Commission shall withhold approval and shall require change in any proposed or existing regulation only if it finds duplication, conflict, or overlapping, or when the nomenclature or arrangement does not conform to that adopted by the Commission.

In general, the Commission shall function as a quasi-judicial capacity in making decisions, including approvals, rejections, and referrals necessary to carry out the intent of the Health and Safety Code. This includes: (a) approval of new building regulations prepared by State agencies; (b) adoption of new regulations deemed necessary by the Commission when State agencies do not adopt them within 180 days after request; (c) approval of amendments to existing building regulations, their editing or rewriting; (d) deciding, or ruling on, requests for interpretation or reconsideration of rules or regulations; (e) adoption of building standards based on performance rather than specifying particular materials or substances to be used; (f) approval of the form for a State Building Code, and of all material to be included in that code.

The Commission also is to:

appoint committees or subcommittees from among its members to study

proposals, or to work on assigned projects;

appoint, from outside its membership, appropriate advisory panels in accordance with law to provide advice and recommendations on matters coming before the Commission;

designate committees to investigate and report on requests for interpretation or for reconsideration of Commission regulations, rulings, or decisions;

testify at legislative hearings, when appropriate, to advise legislators regarding avoidance of duplication, conflict, or overlapping in proposed legislation; propose to the Legislature means for eliminating duplication, conflict, and overlap from existing statutes;

and, assign to the executive secretary and his staff whatever duties and responsibilities are required to expedite Commission operations and actions.

The statutes provide that the State Department of Housing and Community Development, acting through its Division of Building and Housing Standards, shall write building regulations which are "equal to or greater than" certain Uniform Housing, Building, Plumbing, and Electrical Codes. The statutes further provide that the governing body of any city or county shall enact regulations "equal to or greater than" the State regulations adopted, and made effective by, the Commission.

The statute caused a highly controversial issue among many of the cities and counties as to the effect on "home rule," the application of standards locally, and so forth. It was not until January of 1964 that the Attorney General's office rendered an opinion on the matter which, in essence, is that a city or county ordinance imposes restrictions equal to or greater than those imposed by State code when it provides equal or greater health and safety protection, and the specification of approved alternatives does not disturb the application of the conclusion. Thus, a city or county may lessen a State requirement if it determines that the health and safety factors are not lessened, or if the city or county has compensating requirements. For instance, the city's structural requirements for certain types of buildings might be quite different from those of the State and yet have equal strength, quality, fire resistance, and so forth. A city or county has much the same authority to vary the State regulations as the State has to vary the provisions of the Uniform Codes to which the State rules and regulations must be "equal or greater than."

Even before the Attorney General rendered this opinion the Commission at its June meeting of 1963 unanimously passed a motion—I quote—as follows:

"That it is the consensus of the Building Standards Commission that there be local option and exemptions from standards when local conditions make it convenient, unreasonable, necessary, or expedient, for them to have them."

This should not have been too great a concern, as the first State law of significance to regulate housing in California was enacted by the Legislature in 1909, and its enforcement was entrusted to city officials. The housing regulations were revised and amended from 1909 to 1923, when the State Housing Act was enacted. In effect this made it manda-

tory for cities and counties to enforce the State housing regulations as minimum standards; however, localities were permitted to enact regulations more stringent than those imposed by the Act.

A uniform set of building and housing regulations for the 32 or 33 agencies of State government which wrote construction laws, many of them in conflict and overlapping, is rapidly passing from dream to reality stage.

The 1967 biennial report of the Commission, issued late in January, reviews many important gains in the monumental task of the Commission in codifying all building regulations into one law. This program is targeted for completion in 1970.

This concludes my presentation on the functions of the Commission. However, I would like to be permitted to step out of the role of Commissioner for a moment and present to you briefly my viewpoints as a local official most interested in area-wide code uniformity, uniform code interpretation, and uniform application of enforcement. Needless to say, my viewpoints are my own and not necessarily those of the Commission or any other Commissioner.

Because approximately 70 percent of the counties and 90 percent of the cities in this State have adopted, by reference, uniform codes written by nationally recognized code-writing organizations, I was disappointed that the State agencies, acting through the Commission, had not, first, adopted by reference such codes set forth in the statutes; second, removed all conflict, overlap, and duplication; and third, amended such regulations to adjust for climatic and topographical conditions. This procedure, in my opinion, would have acted as a catalyst for cities and counties toward statewide uniformity, would have provided better tools for constant updating, and would have benefited the building industry, as it would have led towards the uniform interpretation and uniform enforcement that are as important as the codes themselves.

Rather Than a National Code . . .

Because of my participation on a State Commission that is to compile and publish a single building standards code, I have been asked to state my opinion as to whether there is need for national minimum housing standards, or a national code, or perhaps a nationally approved model building code sanctioned by, and periodically revised by, the Federal Government.

My answer to the need is "absolutely not." The Federal taxpayers' money could be best utilized to develop national performance criteria, testing procedures for the building industry, and a national program of building research. Furthermore, the Federal Government should establish a firm policy of developing uniform building standards for all its departments responsible for building construction, and it should insist that local regulations be recognized and adhered to for all buildings within that community. It is very common to have Federal agencies take over existing buildings for uses that would not be permitted by local jurisdictions, thereby subjecting occupants of neighboring buildings to risk. It is also

common to have Federal agencies violate local requirements of health and safety in new Federal buildings as well as old, because of pre-emption in this field.

The most important immediate need, rather than proposing model national codes, is the promotion and implementation of training programs not only for building inspectors, but in many fields of the general building industry; also, training programs for code enforcement administration leading towards both uniform interpretation and enforcement of any one of the three most respected model codes in the Nation today.

Code Administration: Home Rule Important

Even with respect to the concept of Federal, state, model or local codes, local enforcement is the important key to good health and safety construction—bringing buildings up to minimum standards, and then maintaining them in a sound and healthy condition. This is why home rule is so important to a successful enforcement program that will benefit the building industry, property owners, and tenants in any city or county.

The most important tool for a codes program is the organization within local government that will be responsible for all enforcement on all private property, just as a normal department of public works is responsible for activities on public rights-of-way. One, and only one, department of local government should be so designated or so coordinated administratively that it operates, in effect, as one department.

The second important tool is the staffing of the program with the proper type of personnel that are, or can be, trained in the enforcement of building, housing, plumbing, electrical, zoning, heating, and ventilating codes for new construction and existing buildings. Whereas all-purpose inspectors are very satisfactory for housing code enforcement, the larger communities find that specialists are needed for the other codes, especially for new construction and large alterations.

Another tool which has tremendous impact on a successful program is making available appellant bodies for each code, to prevent or lessen unnecessary hardship or practical difficulties in exceptional cases where it is difficult or impossible to comply with a particular code requirement; also, to determine the suitability of alternate materials, alternate types of construction, and reasonable interpretations. No code written can provide flexibility for the accommodation of a product, or method and design innovations, without appellant bodies to meet the needs of the building industry and still maintain a high level of health and safety for the community.

The scope, function, and composition of appeal boards should be designed to fit the code or codes they serve. For instance, a very formal appeal board for a housing code would be quite different from an informal, but very technical, appeal board for a building code.

After the organization has been formed, the codes established, the appellant bodies designated, and procedures and policies formulated, the next important step is an analysis of the most effective type of pro-

gram within staff limitations. This will depend upon the kind of neighborhoods and their locations and, of course, the extent of deterioration.

In every city one can categorize the urban renewal treatment necessary for every area, whether it be redevelopment, rehabilitation, or code enforcement. Certainly, enough time has passed and enough sophistication has been developed in urban renewal to conclude that code enforcement can be effective in those areas which are still sound enough to respond to housing code enforcement treatment, and that code enforcement is not sufficient in dealing with the areas needing more radical treatment such as clearance and redevelopment.

I would contend that there are essentially two kinds of code enforcement: what I would call "remedial" code enforcement, identified as the kind of treatment necessary to bring an area up to the standards of the housing code. The second type of code enforcement I would identify with the term "maintenance" code enforcement, defined as that kind of surveillance necessary to see that an area, once it has been brought up to code standards, is maintained in a sound and healthy condition.

The remedial program should be enforced structure by structure, dwelling unit by dwelling unit, in a defined area. All tenants and owners should be notified well in advance of the program, in writing, at neighborhood meetings, and in the press; after which the full surveys of the structures should be completed as rapidly as possible, and follow-up compliance programming with owners commenced within 30 days from original surveys. If some work has not been started by 60 days from original surveys or a program initiated, then consideration should be given to summon owners to an office hearing to show cause; or to recommend to a board that the building is substandard and should be vacated; or recommend that it is a public nuisance and should be demolished; or to seek the courts—whatever the case may be. Some type of certificate or permit of occupancy should be issued on each structure that has been, or is, brought up to the minimum standard; so that when the area comes under a maintenance program the walk-through inspections can be made rapidly and checks made from the certificate.

Disregarding federally assisted code enforcement programs, the non-assisted programs lack many of the related services that are part of the total program. Even though non-assisted programs require family relocation services, close working relationships with health and welfare departments, the understanding and cooperation of the courts, and so forth, they do often lack the financial and architectural services and, most important, the social services that run a parallel course. I refer you to a report of a demonstration made in Cincinnati entitled "A Study of Code Enforcement and Parallel Social Service for Low-Income Families."¹

Now, Mr. Chairman and members of the Commission, I have generalized here today and offered some opinions. Your staff has asked me to be prepared to answer questions on specifics, such as the required or

¹ Ella and Ellery Reed, *A Study of Code Enforcement and Parallel Social Services*. (Cincinnati: Better Housing League of Greater Cincinnati, 1967)

recommended amount of staff, the type of staff to recruit, details of organization and procedure, program planning and execution, problems encountered in the field, feasibility of a "differential" code, retroactivity of codes, the working relationship of code enforcement administration with public housing authorities and redevelopment agencies, and so forth. This I am prepared to do; however, my answers will be based upon the experience in my own community and upon limited knowledge of others.

I want to thank you for inviting me to contribute towards your deliberations.

MR. BAKER: Thank you very much, Mr. Taylor. We would ask that you wait for questions until we have heard from other witnesses.

Our next witness is Mr. "Nick" Carter,¹ Managing Director, International Conference of Building Officials.

STATEMENT BY T. H. CARTER

MR. CARTER: Thank you, Mr. Chairman.

Gentlemen: We appreciate this opportunity to appear before this Commission on behalf of our over 700 members who primarily are located in the midwest and western regions of the United States. It is not our intent to present a technical discussion on the building code situation, but instead to briefly describe the activities, accomplishments, and goals of the three model code groups. Basically, our presentation will cover:

First, the progress that has been made in building code activities, including methods of maintenance, recognition of innovations, and educational programs.

Second, the degree of acceptance of innovations and the model building code without amendment by the local building officials.

Third, future programs of the model code groups.

Since our experience is limited to the International Conference of Building Officials, the data to be submitted apply primarily to that organization; however, we are sure that the activities, accomplishments, and goals of the Building Officials Conference of America, and the Southern Building Code Congress are similar in scope and results.

Purposes of ICBO

The International Conference of Building Officials is a nonprofit organization established in 1922 for the purpose of furnishing the following services to its member cities:

To provide a model code which is amended annually to hold pace with new developments in the construction industry.

To provide a research program whereby new products or types of construction may be recognized within 90 days.

¹ Associated with International Conference of Building Officials since 1954, first as Director of Research and Code Consultant while a research engineer for the Department of Building, City of Los Angeles; Technical Director of ICBO 1954-62.

To offer a plan-checking service for member cities who are not staffed to evaluate major structures.

To provide technical assistance to member cities in the form of uniform interpretations of the code.

To offer an educational program sponsored in cooperation with universities to raise the professional level of the building official.

To sponsor district and chapter meetings where building officials and industry have an opportunity to discuss mutual problems and develop uniformity of interpretations.

As evidence of the progress that has been made in the last 10 years, our records show that city and county memberships have increased from 379 to 716; number of chapters from 12 to 34; new product recommendations from 89 to 658; number of building officials trained annually from 30 to 800; size of the building code from 340 pages to 503 pages; and number of staff members from 7 to 26.

In the cities and counties in our organization, model building codes are enforced by local officials in order to insure that privately owned buildings will comply with minimum national standards covering life-safety and property protection. In order to insure that these regulations are uniform and based upon the latest national standards, model codes such as the Uniform Building Code, published by ICBO, are amended annually after hearings are held before the entire construction industry.

All changes are processed by a Code Change Committee composed of seven building officials representing cities throughout the United States. This committee holds public hearings and reviews substantiating data submitted by the construction industry covering recent innovations or changes in existing methods, and recommends to the membership either approval, further study, or disapproval. In effect, this means that a democratic procedure is provided which makes it possible to keep the locally enforced code up to date and representative of the latest developments at the national level. It is interesting to note that 80 percent of the changes submitted to the Uniform Building Code are submitted by the construction industry, with the result that thousands of technical man hours are provided for evaluation of proposed amendments by specialists from the construction industry, from the building officials, and from headquarters staff. As previously indicated, the number of new ICBO product approvals has increased in the past 10 years from 89 to more than 650. Recognition of these latest innovations in the construction industry is made possible through our research program, which provides for tests by independent commercial and college laboratories, evaluation of data by qualified technical personnel, and public hearings held the first Friday of every month. This procedure results in the construction industry's being able to obtain recognition of their latest developments within a 90-day period and, in many cases, within 60 days.

Another service provided to the member cities is the plan-checking of multistory buildings or exotic-type structures for compliance with the general requirements and structural provisions of the Uniform Building Code. The plan-checking is accomplished by a staff of professional engineers, and is of particular value to the smaller cities and counties

which do not have the necessary technical personnel.

We also provide technical assistance to member cities in the form of consulting services, including interpretations of the Uniform Building Code. Through this service, uniformity is developed in interpretation and enforcement at the local level.

As indicated, our educational program has increased from the training of 30 building officials in 1956 to a training of 800 in 1966. The courses are sponsored by universities throughout the country, with headquarters staff serving as instructors. In addition, two-year and four-year accredited college courses are being developed at the present time in order to increase the professional standing of the building official. The progress made in this activity is reflected by the considerable increase in minimum job qualifications in recent years: the building official now must be either a licensed architect or engineer in order to qualify. Legislation is also being proposed at the state levels to require registration of building inspectors, in order to further increase their professional standing.

A very important activity of the model code groups is to provide a program whereby greater uniformity is developed at the local level. The model codes are similar in their basic requirements, but since there is a difference in enforcement policies, it is felt that programs must continue to develop greater uniformity of interpretation. It is well recognized that a group of professionals can read the same paragraph in any set of regulations and arrive at different interpretations unless either education is applied or group meetings are held to iron out differences of opinion. This problem exists whether it be a local, state or Federal building code which is being enforced. The educational programs of the model code groups help considerably in developing a higher degree of uniformity. However, chapter activity has proved to have a greater impact on uniformity than either the educational programs or headquarters interpretations.

The 34 chapters of ICBO represent 43 states, including Alaska and Hawaii. The purpose of the chapter is to hold monthly meetings so that building officials may compare enforcement policies and get together with the construction industry to discuss and resolve regional differences.

In regard to acceptance of the Uniform Building Code by local jurisdictions without amendments, a recent survey conducted by our organization showed that the over 700 member cities amend the code very infrequently. Most of the cities do amend the administrative provisions of the code, but this is to be expected, since organizational structure varies in many cases. However, those provisions of the code which affect building use or construction are not amended frequently, as is evidenced by the fact that the construction section most frequently amended in the Uniform Building Code has been changed by less than 9 percent of the member cities. Certainly this would not indicate extensive changes at the local level.

Research recommendations which recognize the latest construction innovations are distributed monthly in card form. They describe in detail the method of construction, points of variance with the code, evidence submitted, and conditions of approval in order to insure uniformity

of application. Over 90 percent of the member cities recognize the research recommendations as approved equivalent types of construction.

It is not our intent to whitewash conditions or infer that improvements cannot be made to existing building code development and enforcement programs. Instead, we have tried to present a very brief review of what has been accomplished in the relatively short period of 10 years. Progress may be increased at an even greater rate in the future, provided the model code groups develop further a cooperative national effort on uniformity; the construction industry and national agencies give greater support to the model code groups; and basic research is conducted at a national level.

Model Code Groups in Cooperative Effort

In the last four years a cooperative effort has developed between the model code groups. Hopefully it will be expanded in the future through the auspices of the National Coordinating Council. This council is composed of representatives from BOCA [Building Officials Conference of America], located in Chicago, ICBO [International Conference of Building Officials], located in Pasadena, and SBCC [Southern Building Code Congress], located in Birmingham. The purpose of the organization is to develop greater uniformity in procedures and enforcement policies and to increase the recognition and professional standing of the building official. As part of their recommendation on greater uniformity at the national level, the National Coordinating Council proposes the following seven-point program:

1. All segments of the building industry concerned with building codes should actively and progressively promote in local communities with which they have contact the adoption of either the Basic Building Code, Southern Standard Building Code, or Uniform Building Code, recommending that this adoption be without prejudice or local amendment except as may be necessary to adapt the code to the administrative organization, and that all communities in a metropolitan area adopt a similar code.

2. All segments of the building industry should actively and progressively support enabling legislation, where none previously exists, to authorize local governments to adopt building codes by reference without bias of authorship.

3. All segments of the building industry should actively and progressively participate in the activities of BOCA, ICBO, and SBCC, and in standards development, promoting rational regulations based on fact without prejudice.

4. The building industry should coordinate and provide a means to accomplish the following goals: correlate research developments in the industry and provide for dissemination of this information; establish recommended standards in clearly defined terms, based on the research of information from industry; promote establishment of new standards, including good practice procedures, where none presently exist.

5. The aid of educational institutions and other organizations should

be solicited to provide for the educational or professional upgrading of personnel engaged in administration of building codes.

6. Clear-cut areas of responsibility of state and local agencies for the promulgation and administration of regulations governing buildings should be established in order to eliminate overlap, duplication, and conflict between state agencies, and between state and local agencies.

7. A public relations program should be established to inform the public of the advantages of modern, minimum performance building codes.

Since the National Coordinating Council is an administrative effort, it is necessary that other means be established whereby differences that develop among the model codes may be resolved. This can be accomplished through the Joint Committee on Building Codes. JCBC was established approximately 10 years ago for the purpose of discussing code problems at a national level, and to determine differences between the model codes. All of the associations involved in standards, including the Bureau of Standards, Federal Housing Administration, Department of Housing and Urban Development, Underwriters' Laboratories, Inc., National Fire Protection Association, United States of America Standards Institute, BOCA, ICBO, and so forth, participated in this joint effort. While this committee did not take formal action or make recommendations to the respective code groups, considerable uniformity developed as evidenced by the fact that representatives from ICBO subsequently presented to our membership many changes which reflected the findings of JCBC. JCBC procedures are being changed so as to have greater impact on model code uniformity.

Millions of dollars are spent annually by the construction industry on research to justify innovations and changes to the model building codes. The great part of this research is limited to specific materials. In other words, when the wood industry conducts tests to evaluate new types of construction systems, they do not concern themselves with use of other materials such as concrete, steel or masonry. The same may be said of tests conducted by the steel, concrete, masonry, or plastics industry. We feel that this is a good procedure in that it utilizes technicians who are specifically trained in the type of material involved. However, this procedure does have a gap, in that basic research should be developed at a national level, and not just one material but a combination of all materials should be involved. For instance, certain provisions of the model building codes are based upon fire load tests conducted many years ago by the Bureau of Standards. These tests consisted of burning typical building contents such as office furniture, file contents, and so forth, in order to establish the required fire-resistiveness of the building. Now tests should be made which would reflect present-day material use, including plastic and veneer finishes. There are many other examples of basic research that should be provided in order to not only improve our building codes but also to insure that enforcing agencies have sufficient background data for proper interpretation. This does not mean that development of basic data at the national level should include conditions of acceptance. Conditions of acceptance are the regulatory provisions of

standards, and they should be the responsibility of the enforcing agency.

Gentlemen, in conclusion, we submit that the building code situation as reflected in recent national publications does not represent the true conditions as evidenced by the progress that has been made in this field in the past 10 years. Further, that actual conditions and the progress experienced dictate that it would be to the best interests of the American public if the entire construction industry, including the Federal Government, supported the established programs of the model code groups instead of embarking on a new concept of national control which would not only have serious impact on the quality of building codes and their enforcement but would also represent a serious loss in home rule.

Thank you.

MR. BAKER: Thank you. Our next witness is Mr. Raymond Ziegler,¹ a practicing architect who, as I mentioned earlier, is a member and Past Chairman of the AIA Committee on Building Regulations.

STATEMENT BY RAYMOND ZIEGLER

MR. ZIEGLER: Thank you very much. Chairman Douglas, Mrs. Smith, gentlemen of the Commission:

Let me say I am honored to be invited to give testimony before this important Commission. I am not certain what the hearing will produce or even intends to produce. However, my invitation, I am sure, relates to my activities in building code matters.

Uniformity not the Answer

I will acknowledge that there are problems because of the lack of uniformity. These problems relating to building codes have been documented editorially for years, and recently by the La Que Report,² the Advisory Commission on Intergovernmental Relations, and the National Commission on Technology, Automation, and Economic Progress. I will not dwell on the fact that a problem exists with building regulations. I really have nothing new to say in this regard. But I would like to state, in the beginning, that uniformity for the sake of uniformity will not solve the problem that exists.

We should look at the reason why we do not have uniformity in building regulations. The reason is—and Mr. Carter just touched on this—that there is no rational basis upon which uniform agreement can be reached. Our codes today are based on compromise, conjecture, and caprice.

We suggest that codes should be based upon rationally conceived,

¹ Also member, American Institute of Architects Committee on Building Codes and Disaster Studies; of the Architects Advisory Committee to the State Building Standards Commission; and of the Los Angeles City and County Citizens Committee for Building Codes. Past Chairman of the AIA Committee on Building Regulations and of the California Council, AIA Building Code Committee; and the Master Committee for Community Development, Southern California Chapter, AIA.

² U.S. Department of Commerce, *Report of the Panel on Engineering and Commodity Standards of the Commerce Technical Advisory Board to the Assistant Secretary for Science and Technology*, Section A. (Washington, D.C.: February 2, 1965)

scientifically evaluated criteria. The lack of uniformity in administration, in interpretation, and enforcement compound the lack of technical uniformity. I am sure you are aware that Santa Monica, Pasadena, Sacramento—all California communities; Rock Island, Illinois; East Lansing, Michigan, and Billings, Montana, all use exactly the same building code. However, the interpretation and enforcement vary to the extent that each presents separate problems to architects, engineers, builders, and the public.

These two elements—technical requirements and the administrative requirements—go hand in hand. The rationally conceived criteria—I should just call this “RC²” and save time, because I will be repeating it—will solve both of these problems.

The housing problem in the United States was not created by the building codes. The housing problem in the United States will not be solved by the building codes. Each of the recent high-level reports that I mentioned before suggests that the national housing problem *will* be solved, as if by magic, if we have a uniform national code.

A solution to the housing problem may be inhibited by codes, but it will not be prevented. The inhibitions and lack of uniformity occur because of the arbitrary limitations imposed by existing codes.

A uniformly bad code will not improve the situation. Codes are overburdened with unenforceable trivia. I have a son who tells me, “You’ve got to back that up,” and I have many, many times. I have a couple of code books I would be glad to go over, but there are just hundreds of pages that are filled with how many barbs we should have on a lathing nail, and this is kind of hard to check and shouldn’t even be in the codes, but there they are.

If we have exact or unequivocal enforcement of most or all of the existing building regulations this does tend to stifle initiative. Relaxed enforcement, on the other hand, condones law violations. We cannot condone lawlessness. Therefore, the law, the building regulations, must be changed to eliminate the unenforced or the unenforceable trivia that do not relate to the purpose or intent of the law, regulation, or codes.

Buildings must be safe. Buildings are built with predictable materials. To measure performance of these predictable materials is easily done and it’s done every day. To design safely with these materials all we need are criteria for its performance. But we also must know what the materials will be subjected to. Now material manufacturers do research to tell us what their materials *will do*. No research is being done to tell us what they *must do*. Although the codes are full of limitations on what they *must do*, we don’t really know why. There’s no profit in floor loads—combustible loads or other *must-do* requirements. Therefore, private industry, especially in the highly fragmented construction business, is doing no research on the *must-do* requirements, only on the *will-do* requirements. Some nonprofit research is being done, but on a shoestring. It’s very fragmented. It is lacking in funds.

Building systems can be described in the same way I have mentioned here for materials. There is no profit in exits. Yet, from a safety stand-

point, they may be the most important part of a building's life safety system. Some research has been done on exiting, but not much. Yet our building codes have elaborate descriptions of exiting systems. None of the codes, however, suggests a time limit on exiting of buildings with an indication of travel criteria. Now, since we need criteria for measuring our design, and public safety demands these criteria not be dealer's choice, the codes have evolved an elaborate set of limitations. Some limitations are needed, but where no profit has been involved—fair to one, fair to all—there has been no research. The limitations have been and are arbitrary.

Once again, they have been arrived at by conjecture, compromise, and caprice. I think I will just say "C³" (C cubed) here and save time.

If we unify the codes today we might make some contractors or builders happy. Their inventories would be simplified, and the "fair to one, fair to all" philosophy would prevail. This is fair to builders, but not necessarily fair to the public.

The criteria for buildings just have to be rationally conceived to be fair to everyone.

The population explosion, the housing problem, the fantastic might and industrial capability of the Nation, plus the enlightened Federal approach to human problems today, place unusual demands upon our building codes. Existing means of establishing criteria are no longer adequate. They are just too slow to be relevant or effective, except to perpetuate the status quo. Unfortunately we confront this newly realized problem with an enormous backlog of outdated criteria, responses, methods, habits, and so forth.

The Government reports that we mentioned above appear to me to be looking to the past for a solution. Present building codes are written with specific or past solutions in mind. But these solutions, once they are written into the building code, carry the force of law and thereby perpetuate the past. We need to evaluate, establish, and conceive criteria that will not limit solutions to the past.

We also need to separate standards from criteria. Standards arrived at are not always minimums. A standard is a consensus on what is standard for a particular time.

If we have rationally conceived criteria—if we could establish this—the archaic, or C³, solutions can be deleted from the code, new solutions will evolve, and their safety will be measured against RC², not C³.

Who can establish these criteria: the Bureau of Standards, USASI [USA Standards Institute], NFPA, [National Fire Protection Association], ICBO [International Conference of Building Officials]? It might be that they could all help. But you should keep in mind that the carbon paper industry did not solve the office copying problem. It was done by Xerox.

Just to summarize briefly on this ramble through a lot of things. We are only going to suggest a very simple item. We think we should have research, but nonproduct, or nonprofit, research, because the steel industry will do research on steel and new steel products. The same is true for aluminum, gypsum, plastic, concrete, wood, and so forth. But no one is doing research in the nonproduct areas of building such as

heights and areas, exit loadings, and so forth. This research should be directed towards producing rationally conceived criteria upon which and around which all municipalities, cities, counties, states, model code groups, and so forth, could base reasonably uniform requirements.

Secondly, we need a solution to the problems of administration, interpretation, and enforcement. There is a greater lack of uniformity here than in the technical provisions of the code. This may also need some research, but we feel it could solve itself if sensible, reasonable requirements were established.

Is this need for research or rationally conceived criteria felt only by architects? We think not. We have inquired. This morning Mr. Carter indicated that we need some research in these basic things. The Director of the Structural Engineers' Association of California, William F. Ropp, agrees, and he has given me a list of several items as starting points that would be helpful.

He emphasizes the need to separate standards from criteria. Walter Brugger, a structural engineer who is the head of the Research Bureau for the City of Los Angeles Building Department, supports this need, and he has a list of items, specific items, that can be started on.

Mr. Carter, when I talked to him, supported this, and he has a list of items. Mr. Bernard Kent, structural research engineer, Los Angeles County—I have got two pages of items from him—things he says will help solve this problem. To get out of our local area for a minute, Mr. Ralph Mott, FAIA [Fellow, American Institute of Architects], of Fort Smith, Arkansas, who is Chairman of the National Fire Protection Association's Committee on Heights and Areas, has a statement. I'd just like to quote this:

I agree wholeheartedly with your proposal for research relating to basic criteria. On the basis of my experience with the NFPA Committee, heights and areas have been, and now are, regulated intuitively rather than as a result of thorough analysis of fire records or research. I feel completely baffled by the lack of basic data by which to establish heights and areas. The first objective should be to encourage research along this line.

Now, there are others that I have. This one I would like to read:

Stephen A. Kliment, Editor, *Architectural and Engineering News*, in a splendid editorial evaluation of all of the various programs that have been suggested, wrote:

The plan based on the AIA Committee scheme stands the best chance of eventual success.

A task force, with no-strings-attached money, could work out not only a permissive code document subject to regional adaptation and local adoption, but also the various and essential companion documents such as fire prevention and housing codes; product performance criteria, standards and testing procedures; higher and more uniform standards for hiring building inspectors; and provisions for updating codes to reflect technical advances.

Now, we have been hammering on this idea for some time, and early this year, we are pleased to say, the American Society of Sanitary Engineers in the annual report of its Hospital Plumbing Standards Committee arrived at a similar conclusion. They were not investigating the entire code problem. They only wanted to see how much water was being used in certain types of buildings. I am now quoting from their

report: "The results of this limited testing program included 10,000 donated hours, clearly support the theory that much less water is being used in buildings than expected."

It is interesting to note that in every similar research project so far reported the same conclusion is there. It's therefore safe to say that the current method of design requires that the plumbing designer provide piping and equipment in excess of what is actually required. As long as we lack the necessary data to know what a system requires we will never know if we are designing within reasonable limits.

To go on from what these volunteers have found, to complete a program of such magnitude would necessitate sponsorship by the Federal Government or a large foundation. So the point here is that we are not alone in our feelings regarding the need for rationally conceived criteria. Each of these people—the engineers, other associations, and so on—agree with our suggestion. They have an objective approach. None of the people I have quoted have anything to sell.

So the point here is that we are not alone in our feelings regarding the need for rationally conceived criteria. Each of these people—the engineers, other associations, and so on—agree with our suggestion. They have an objective approach. None of the people I have quoted has anything to sell.

Now, most code-writing entities have limited means for providing technically sound regulations. This does not stem from any lack in ability or intent, but rather from the vastness of the problem, the fragmented nature of the construction industry, and the lack of adequate funds for objective research and testing.

At present, there is no reliable source of data available upon which to base such fundamental code considerations as heights, areas, smoke venting, occupancy separation, and so forth; and as a result they are often based upon guesswork and compromise. They are subject to the influence of emotions, prejudice, and administrative convenience.

Perhaps a nonprofit organization utilizing the capability of all of the existing facilities, and adding facilities now nonexistent, could establish rationally conceived criteria. These criteria, placed in the hands of the code groups, municipalities, and states, would produce the sought-for uniformity. The ingenuity of the environmental designers would then receive impetus to create new solutions and new systems.

Now, gentlemen, I want to thank you on behalf of the Committee on Building Regulations of the American Institute of Architects for the time you have allowed me to present these thoughts. We are honored.

I want to say on behalf of the architects that we don't want anything except a solution. We cannot finance the solution. We are not making a proposal for funds. We have nothing to sell. We are offering our assistance. We believe we are suggesting a path to a solution.

Thank you.

QUESTIONS BY COMMISSION MEMBERS

MR. BAKER: Mr. Ziegler, would you submit for the records, for the

Commission, two copies of the list of the proposed research projects which you have?

MR. ZIEGLER: Yes.

MR. BAKER: It's been a policy of the Commission to question the witnesses, and we will begin by asking Professor Woodbury to direct his questions to any of the witnesses.

MR. WOODBURY: *Mr. Taylor, you referred to the desirability of one local enforcement agency?*

MR. TAYLOR: Yes.

MR. WOODBURY: *Have you got any information on how often that principle is observed—either in your area here or nationally? It's my impression, and only an impression, that this is very seldom true in actual fact.*

MR. TAYLOR: This is very seldom true. You are correct. But the only way that communities are going to do away with duplication of inspections that are confusing to property owners and confusing to the building industry in general, is to have the responsibility of everything that happens in the way of building placed in one department in the local government.

Speaking for my own community, this has worked out very well. When a complaint comes in, the first question that is asked is: "Is it on private property or public property?" If it is on private property it comes to our department and is processed. But in the communities that have inspections by Fire Prevention Bureaus, Building Departments, Health Departments, there is no fine line between maintenance, sanitation, and use, or between building provisions and fire provisions. Most of the provisions in building codes are fire provisions.

Communities in the West here are turning towards the single department. In the San Francisco Bay area there are several communities now that have reorganized their localities so this responsibility is placed in one department.

MR. WOODBURY: *I wonder if it might be useful to the Commission if you could give us some examples, not necessarily here today, but some locality where this is being done, and possibly the staff could inquire into it a little bit further?*

It seems to be an idea that has often been neglected in discussions of this sort, and if we had a few examples that we could follow up, maybe a before-and-after variety, they would be useful.

MR. TAYLOR: I would be very glad to assist the staff.

Organization of Appellant Bodies

MR. WOODBURY: *Just one other thing. You referred to appellant bodies. As you know, in zoning enforcement there is a fairly widespread idea at the present time—I'm not making this in the form of a charge—that zoning enforcement has been badly crippled, not to say perverted, in some localities, by the zoning boards of appeal.*

I was wondering if you would like to comment on this situation—whether you would have any advice as to how appellant bodies in

housing codes, building codes, and so forth, might be organized and conducted to avoid a similar development in their areas?

MR. TAYLOR: Well, yes. For instance, my department, in my locality is responsible for updating and maintaining all of the codes—building, plumbing, housing, heating and ventilating, and so forth. The only regulations we enforce that we have no control over are zoning laws, and we have no control over that appellatant body. Even though we have three appeal boards, zoning matters are handled by the Planning Commission and the Board of Adjustment.

I would say a better solution to this problem is to give my department zoning administration. This would not necessarily take away from planning commissions the right to write their own codes and zoning regulations, but I think it would be better functioning in my locality if I had zoning administration as well as enforcement.

I think one of the greatest complaints in these zoning matters is the tremendous delay for developers going before their boards—the public hearings, which in most communities run around 60 days—to get a zoning variance granted or denied.

MR. WOODBURY: *Thank you very much. Mr. Carter, would you tell me just a bit about the financing of ICBO?*

MR. CARTER: Our financing, sir, is based primarily from sale of our codes, membership dues from the cities and counties, and from our plan checking of major structures or exotic-type structures, also from our research program. In other words, if a proponent has a new product or a new type of construction that he wishes recognized, and if he doesn't wish to wait the normal year for amendment of the code, he will go before the research committee, and there is a fee for examination involved there. But mainly our income comes from publications, membership fees, and research.

MR. WOODBURY: *And this would be true of the other model code organizations too?*

MR. CARTER: Yes, sir.

MR. WOODBURY: *Would you think that the Federal Government's support or contribution would be in order?*

MR. CARTER: It would certainly be worthwhile, I think, sir, as far as increasing, say, the educational program at a national level. We feel that one thing slowing our progress is the necessary funds to expand this program very rapidly.

MR. WOODBURY: *Can I ask just one question on an individual idiosyncrasy of mine, on sound transmission in most family dwellings. Is that a matter of any considerable interest to you and your group?*

MR. CARTER: Yes, sir, it is. However, our Code Change Committee staff and our executive board feel that model codes should include only minimum requirements. We feel they should not be optimum in any case. We feel the sound transmission problem is one that may eventually be in the code but we don't feel at the present time it falls in the category of a minimum requirement. This has been proposed to the model code groups but action has not been taken on it.

MR. WOODBURY: *Thank you very much.*

I have one question for Mr. Ziegler. On the point of the interpretation and administration of codes varying as much or more than actual code provisions: Are there any studies of that phenomenon, where there would be localities with substantially the same code provisions, but where the interpretation and the administration have varied substantially? I am not doubting the statement, but is there any actual concrete evidence of it?

MR. ZIEGLER: I don't think there has been any funded research in this regard, and the reports that may be available might be something that I put together myself based on personal experience, but the variations do exist. They even exist within departments using the same code. It depends on which checker you get. It varies from which side of the room you walk to in the State Fire Marshal's office, for instance, what kind of interpretation you get on Title 19. The State Fire Marshal will give you an interpretation of a code that is enforced by the local fire chief, and he, the local fire chief, has a different interpretation. That's the type of thing I am referring to which does exist. As far as documented reports, I am not aware of any that catalogue these; I was just cataloguing my experiences.

MRS. SMITH: *I think all of the testimony has been terribly helpful. I think the most important aspect is setting up the various types of research, not only the criteria, which I think are terribly interesting . . . but how to do this? How, if you federally fund such a research organization, do you keep it from becoming a Bureau of Standards from which it takes so long to get any information? How do you make anything really work as a great nationwide organization that could really do this terrifyingly great job that really needs doing? Any practicing architect is fully aware of that. Have you written anything or carried through anything which you think would be a continuing, responsive, vital research organization, has anyone or AIA, Mr. Ziegler?*

MR. ZIEGLER: Thank you, it just so happens I have a program here in my hands.

I mentioned that we had taken a program to the Ford Foundation and we had also submitted a program to HUD when it was being organized. It's not the best written document in the world. I don't feel that we have really articulated the problem well. We proposed a very nominal amount of money to underwrite a program.

You may have a copy. I think a copy of it has been made available to Mr. Pellish by the AIA in Washington. Right now, today, I'd like to rewrite the proposal myself—but the initial proposal was just to write the program that you are talking about.

MRS. SMITH: *But not all those official committee actions end up being official. Do you yourself have a very strong idea of how such a research organization could really be a going, constantly creative, splendid organization and not just blah, not just fine-sounding words?*

MR. ZIEGLER: I have seen one program on paper formulated by Mr. Hal Colling, formerly the managing director of the International Conference of Building Officials who then ran what was called the *American Building Code News Analyst*. I don't agree with this program completely,

and in the time that I donate to these activities I have not adequately articulated the solution, things that we must do. I can make a list and submit it to the Commission—the basic things that have not been done, or if they have been done are lost in antiquity. And once they are done, the basic criteria will not change and will not need continuous updating.

Systems evaluation relating to these basic criteria may need continuing evaluation. It's possible one organization cannot do what we are suggesting—to use all of the existing capability, and to supplement this with information not now existing. We have to correlate all the available information, and then the information can be made available to the various code groups. The way we do business in the United States—and I'm all in favor of it—this information could be sold, and after a period of time the organization could perhaps become self-supporting.

These are the thoughts I have on it. I haven't got a complete program written out to indicate who we would put in this group and what kind of facilities it would require. It's a problem in itself just to document this.

Involvement of Labor Unions in Code Revisions

MR. DeGROVE: *Mr. Carter, you told us about how ICBO revised the building code and model code from time to time. To what extent are labor unions or representatives of labor unions involved in such revisions?*

MR. CARTER: Well, as of this date, very little. We have had appearing at our annual business meetings mainly industry associations, the AIA and the Structural Engineers Association, but to my knowledge we have never had representatives of labor unions appearing or voting at our annual business meetings.

MR. DeGROVE: *Do you think this would be a relevant inclusion in your deliberations?*

MR. CARTER: I can't really say where it would be, sir, in that for what we usually consider as technical provisions of the code, pros and cons are submitted by the construction industry including the contractor, the engineer, the architect, the building official, and the materials association. It seems to me that this is the primary evidence, shall we say, necessary for support or nonsupport of any given amendment to the code.

Certainly the labor unions are welcome. Anyone is welcome. It's an open hearing as such, but as yet they have not appeared.

MR. DeGROVE: *Let me ask you another question about the need to minimize the differences in interpretations of code, essentially similar codes, and sometimes exactly the same codes, by different jurisdictions. Mr. Ziegler also mentioned this.*

To what extent have there been efforts that you know of, say in California, to do this across local governmental lines rather than within communities—on a county-wide basis or any area in which you have county-wide enforcement—so that you have some standardization of interpretation just because one governmental unit is doing it rather than 25 or 30 units?

MR. CARTER: Yes, sir, we have chapters, and districts, and state or-

ganizations within ICBO itself. Our chapters meet once a month and on the average consist of 20 adjoining jurisdictions. They get together, to discuss mutual interpretations. Industry also attends these meetings and brings forth any problems they have.

As I have indicated, I believe that chapter work has been the one activity that has resulted in more uniformity, due to getting together and discussing the differences of opinion. We also have a state organization of cities. We have a state organization of counties. We have a Southern District meeting, which takes in Southern California one month, and the following month a Central District meeting which takes in the northern part of the State.

MR. DEGROVE: *Is there a State municipal league?*

MR. CARTER: No. It's called a California Chapter of the International Conference of Building Officials.

MR. DEGROVE: *I see. Mr. Taylor, could I ask you something of the same question? You told me you were from Oakland?*

MR. TAYLOR: Yes, sir.

MR. DEGROVE: *I was interested, as Professor Woodbury was, in your stress on the need to draw together the different pieces of the city governments into one agency so that you have one place to go and one single pinpointed area of responsibility.*

What success have you had in the Oakland area in expanding this beyond your city limits so that you could get some kind of uniform interpretation out into the metropolitan community as a whole?

MR. TAYLOR: Well, through the California League of Municipalities most all of the 42 communities in the Bay Area have adopted—by reference, I admit, with some amendments—uniform planning, building codes, and so forth.

MR. DEGROVE: *How much does this variety of interpretation cause lack of uniformity—a lot?*

MR. TAYLOR: Well, usually architects do not agree with me, but I have to agree with Mr. Ziegler, this does happen. As I stated earlier, the enforcement and interpretation are more important than the codes themselves, and uniformity is necessary; and we try to reach it through the media of the various organizations. I think that we are getting to the point, and this is why I emphasize the necessity of training—education and training—of building officials and building inspectors in enforcement procedures and interpretation.

MR. DEGROVE: *Who does that kind of training? Is this a short course kind of training with universities in the Bay area handling this sort of thing for you?*

MR. TAYLOR: We do.

MR. DEGROVE: *Do you do it in conjunction with educational facilities, institutions, or do you simply develop your own and do it yourself?*

MR. TAYLOR: Through the National Association of Housing and Re-development Officials we made several proposals to the University of California. As a matter of fact, one was almost funded through HUD and another one through the Ford Foundation. We have tried to establish this training as a course for dropouts—college dropouts—to get them

into the field of code enforcement, and so forth, but we've been unsuccessful.

Most cities have had to develop in-service training programs of their own, because it takes a minimum of six months and normally a year to train a man to perform in the field as he should perform.

MR. DEGROVE: *Thank you very much. Mr. Ziegler, I want to ask you one question too.*

MR. ZIEGLER: May I offer just a slightly different light on the matter of interpretation, please?

The codes are quite specific, and if all architects and all engineers always brought in the same problem or building for checking we would not have any variation. But, we don't always bring in the same problem. We have new designs and new solutions. Then it is up to the building official or the public official to impose his interpretation on our designs; so his interpretation of what he has in the book might not vary but his interpretation of our designs, because they are always different, will vary.

Now, in this case, it takes six months to four years or a two-year junior college program to train a building official, then the code places the building official in a position of supervision, interpretation, and direction of qualified professionals who have had, like myself, 30, 31 years of experience and training. A college dropout with six months training should tell me how to design a building? This is one of the problems with interpretation.

Codes and Low-Cost Housing

MR. JOHNSON: *I would like to direct a question to the provision of low-cost housing.*

In the face of what appears to be a continuing process of cost increment, with changes in building codes and building codes administration around the country, I'd like Mr. Ziegler and Mr. Taylor, if you would, gentlemen, to comment on the different residential codes as they might apply to low-cost housing. To be more specific, I am thinking about the kind of situation you can have with a state-wide school board that constructs buildings in the smaller communities around the state pretty much the way it chooses, or writes its own book of regulations. Can you comment on that, please?

MR. ZIEGLER: I'll comment on almost anything you ask me to.

What might evolve if we had this rationally conceived criteria is that we might evolve a new system not based on the past solutions that are written in the book now.

There was a study made by the Union of South Africa, which seems to devote more time to the investigation of buildings than the Federal Government of the United States. They sent a chap around the world to investigate building code enforcement. Mr. Carter met him and was interviewed by him. He traveled all through Europe. He has written a paper as a result of his study. What he was trying to determine was how they could develop "industrialized buildings" in South Africa.

He went to France, where industrialized building started, and he points out how France assisted West Germany, and then later assisted England in the development of its code so that they could permit or encourage industrialized building. The development of new codes using rationally conceived criteria might encourage industrialized building and/or low-cost housing.

Now, it's very possible that industrialized building, as they know it in West Europe, will never become a fact in the United States. But currently we will never know.

Now in the matter of school buildings: they have their own law in the State of California. I don't know if you are familiar, Mr. Johnson, with this. They do have a set of rules. Schools are not built willy-nilly. Far from it. The standards are not minimum standards; they are more like optimum standards. That is what we design schools to in the State of California.

MR. JOHNSON: *Thank you. Mr. Taylor, would you care to comment?*

MR. TAYLOR: Well, our experience in low-cost housing, under the existing provisions of our code, is that it's impossible at the present time in my community to build low-cost housing. Moderate-cost housing, yes. They are working on a set of plans now for one of our redevelopment areas under 221(d)(3) financing, where they are going to pre-cast housing. This is about 50 miles north of our community, and the design is to be an assembly of boxes, so to speak, into a high-rise project of six to eight stories. Also, I have been working with an architect, just in the last few days, on building 42 efficiency units for the elderly that he hopes he can design for a monthly rental rate of \$55. Now, this is going to take some doing because of our zoning requirements requiring off-street parking. It will have to be reduced. There will have to be many variances from yard requirements. Whether we can work it out or not—we have tried this many times—it seems almost an impossibility to meet low-cost housing requirements; but moderate low-cost housing, yes.

MR. EHRENKRANTZ: *I would like to preface my questions with a very short comment.*

It's gratifying this morning to be a Californian. I believe that the presentations made here by the three gentlemen point the way to the future in that there is discussion of the use of rational criteria as an evolving basis for codes. I think one of the problems we are faced with is that when you get performance to govern the design of buildings, the problems of supervision and interpretation of performance require a much higher level of technical expertise so that the training programs for building officials are perhaps a prerequisite for a first-rate performance specification, which in turn—because it does not protect the old, but looks towards the new—provides incentive for better work, perhaps for opportunities to move towards low-cost housing. Within this context codes have in the past related to health and safety.

Perhaps all three of you might wish to comment on the observations made this morning: first, Mr. Taylor's statement about remedial measures to bring buildings up to snuff and then maintain them. In addition to the initial health and safety standards, are we not faced with looking

toward the long-range workings of a building and should this not be a province of code development? The cost to the people who live in the building is not only in terms of first cost but in terms of maintenance and operating costs.

If we do not have appropriate standards on sound transmission between rooms, the people who live in the buildings will not treat their housing in the same way that they would if a better environment were provided. So, if we expect to look towards the long-run use of the building, do we not have to develop performance on those aspects of the use of a building that relate to the human beings who live and work in them?

MR. CARTER: I certainly recognize that there's more to a building code than a question of health or structural stability or life safety. Life safety and health are the two main criteria, but in the model codes there is a provision that also covers property value. For example, our protection of metals exposed to weather requires galvanizing. This isn't a question of structural instability when first built, but more of an assurance of property value maintenance. In our research program we have applications for approval of light-gauge aluminum siding. Structurally there is no problem. Weather is no problem. But certainly a homeowner doesn't want his new siding dented within six months by tricycles and bouncing balls. Our new programs recognize the maintenance problem, but not to the extent of life or health provisions.

In regards to sound transmission, one of the reasons it has not been considered at this time as appropriate is that the data available are not in a form that we feel is usable, and we don't have enough basic research to establish a good national standard.

MR. EHRENKRANTZ: *Well, then, your comments would be that we should get the funds to support this research?*

MR. CARTER: If the construction industry and the American public feel that sound insulation is a question of health, yes.

MR. TAYLOR: Prior to World War II the housing that was built out here in the West was much better quality than is being built today. In about five years after World War II the housing quality kept coming down in quality, down to the development today of actual minimum standards in the code. The reason was that the lending institutions set the criteria for the building standards prior to World War II, and many institutions, after that, even set the standards of FHA, which are much higher than the code in many respects, especially the matter that you were talking about. I would like to see many of the basic things included in this research.

Since 1923 in this State, we have considered a dwelling unit to have a kitchen, a living room, and a bedroom, or a kitchen and separate bedroom. Our living habits have changed in the last 20 years in that in the last few years we have been permitting kitchens off the living area, providing they do not rob the light or ventilation from the room involved. I think there could be research in this because back in the days when I was a kid the kitchen was the place you lived in and you only used the other rooms for company. Now, the kitchen is just a sort of a necessary evil to go along with the dwelling unit. So, there are

many things that research can do to justify adequate health standards. Most housing codes will say there must be X number of square feet for a dwelling unit and I've asked the question, "Why—just because we inherited so many square feet?" Could it be less and still maintain the health and safety of the occupants?

MR. EHRENKRANTZ: *Your statement that buildings are being built here today at a lower level quality than in the past has an interesting second question that has to be asked: Do you believe that, as a result of of this lower quality, cost to the community in fact is greater over time in terms of maintenance or remodeling, or in terms of the deterioration of areas wherein the initial buildings were built below standard, than perhaps would have been the case if a longer term were taken?*

MR. TAYLOR: Yes, very definitely. In my community I can show you many developments built within the past five years that are absolutely nothing but boxes with windows in them; absolute minimum standards of code, with the hope of capturing the low-income renters. These buildings today are almost in a state of being substandard.

MR. ZIEGLER: I'll say I'll comment, overtime if given the opportunity. In answer to your question I would say 'yes,' human beings should be considered when arriving at what kind of building they should live in. Now, whether or not the codes or building officials should become investment advisers to people who are building, I seriously question that it's up to the building code to tell the people whether their aluminum siding should be kicked in or not.

MR. EHRENKRANTZ: *Mr. Ziegler, may I ask a completely separate question? Would you care to comment on the way information and criteria are presented to the professionals within the building industry so that the performance of products, when an architect designs a building, can be properly predicted?*

I think there may be an area here where the criteria are needed, not only for codes, but to provide levels of assurance that the materials we work with in our daily profession live up to set standards. Must the research and testing perhaps go beyond what is required for just codes alone?

MR. ZIEGLER: I think this gets around to what I'd refer to as the "will-do information" that is furnished by the industry, and the various materials catalogued, as you well know, are voluminous. A lot of materials are not very good but they are improving. We don't seem to have too much trouble finding out what the manufacturer tells us the material will do, but we can't always believe it. It is rather difficult to determine, for instance, how a material will perform over a 25-year period when the material is only 60 days old. The must-do requirements that come to us through the building code are the requirements that in many instances are not valid. Now, for other requirements, when we design a school, for instance, or a college facility, there is some information available that I'm sure you are aware of.

The information series prepared by the University Facilities Research Center and Educational Facilities Laboratory of the Ford Foundation on university and college buildings, went into a great many things. We

find these things are invaluable in arriving at criteria for the design of these buildings. I might also point out that when this information is presented by someone to a building code group they are receptive. I might point out a cost example in this regard.

We designed a major college building in a suburb of Los Angeles. It was under the Uniform Building Code, and the local building officials made the interpretation that the Uniform Building Code requirements for colleges and universities relating to toilet facilities were the same as those relating to secondary schools in the Uniform Building Code. But the requirements are different. However, there was no requirement for colleges and university buildings in the code. So, by interpretation the local officials applied the secondary schools requirements. We personally followed through with the California Council of AIA and, working from one of these documents relating to toilet facilities for college buildings, presented a change to the International Conference of Building Officials. It was approved without any argument. I would say it was unanimous. The fact that it was supported by some rationally conceived and documented materials got approval quickly. The change thus effected saved this college \$40,000 in plumbing.

I might say it cost us several thousand dollars in fees, but it saved the college, which was one-third financed by the government, a considerable amount of money. Now, this type of thing, I think, can be done not only for college buildings but for all buildings. They have horizontal and vertical circulation information which indicates that the stairway, perhaps, should be wider than the corridor. However, that's not so in most of our codes. You usually have the corridor required to be wider than the stairways.

Conflicts in Codes

MR. VANDERGRIFF: *I'd like to ask Mr. Taylor about the State building code. We have none in my State, therefore I am not as well versed in such matters as I should be. Is there often conflict between your State code and the codes within the local communities? Are the builders sometimes trapped between the two?*

MR. TAYLOR: Well, to answer the first part of your question, the conflict in overlapping and duplication between the 32 state agencies has been tremendous. If I'm correct, I think there were 29 different regulations on handrails at one time in the State—where you put the handrails in the hospitals, or in a State school, or whatever the State facility is. What really started the State Building Commission was the huge amount of problems for architects and developers, and so forth, who had a tremendous job on their hands. They would have to consider what State agency they were dealing with. This is the purpose of the State building code, to achieve uniformity in all the State agencies under one set of building regulations. Now, the city and county regulations have to be reasonably equal to or greater than the restrictions of the State code. The State code, basically, is an adoption of uniform codes. It's basically that. Many cities and counties had amended and changed some of the uniform regulations, so this gap that used to exist between State and

local will be lessened—almost minimized to zero—when the new State code is finally finished and put into effect. A major portion of it is, at the present time.

MR. VANDERGRIF: *Do you confine yourself in the State code to matters of health and safety?*

MR. TAYLOR: Yes.

MR. VANDERGRIF: *You don't depart into other spheres?*

MR. TAYLOR: Yes, they do to an extent, as Mr. Ziegler pointed out, in the requirements for schools. They still have to have the basic minimum codes of the State codes in the schools, but then they will add to that because of their specialty.

I would like to say at this time that another field of research that hasn't been covered by the code-writing groups is special construction. Building codes and related codes are primarily designed for the normal structures and when you get into heliports, coliseums, special auditoriums or sport arenas, and various other types of special structures you will find that building codes do not cover them. I think there's a field of research in this area.

MR. VANDERGRIF: *Could I ask you—and others may want to comment on this too—about another matter?*

We are very much concerned with housing for low-income groups. Some comment has been advanced to us on other occasions, by other witnesses, that this goal perhaps can never be reached with the consistently higher standards that most cities are adopting. They are telling us that perhaps we need to adopt what they term a more realistic approach, and consider two sets of standards within a given community—a set of standards that might make it more practicable, more attractive, to construct housing for the lower income groups in one area of the community versus another set of standards elsewhere within the city. I'd like to hear your reaction on this score if you would be kind enough to favor us.

MR. TAYLOR: We people in this field believe that our codes today are minimum for health and safety. I certainly wouldn't want to propose a lower set of standards for people just because they are low-income. What we are saying, in effect, is that because a person is of low income he should live in a state of unhealthy or unsafe conditions. There are in communities a differential set of codes, such as in my community, which has high mountainous terrain and flat lands. I think topographical and climatic conditions can make possible a differential code in certain respects, but I certainly would not propose lessening our standards for low-income groups.

Research might find that our health and safety standards are too high. This is possible, but certainly because people are of low income, I don't want to reduce their housing to an unsafe level.

MR. VANDERGRIF: *Thank you very much. Mr. Carter, you speak to building officials, is this correct?*

MR. CARTER: Yes.

MR. VANDERGRIF: *Well, I find myself somewhat sympathetic with the plight of the building official. He seems to be the most condemned*

of all as we discussed this problem. The architect—and we have some distinguished architects on our panel—has a responsibility to be creative, inventive, innovative, to do things differently. Therefore, it would appear to me to be a tremendous challenge to a building official.

MR. CARTER: I don't care whether he is a college dropout or a graduate of an architectural school, he must keep pace with the creative mind of the architect, and I think this is the way it ought to be. But I sometimes am concerned at the impatience with the building official.

MR. VANDERGRIFF: *I'm not wanting to speak your case for you, but I would like to know. As a practical matter it's going to be very difficult to get a man as a community building official who can compare favorably with the 31 years of experience that Mr. Ziegler talks about. There just isn't that kind of money available. I'm not sure that you can ever have this kind of pace. Is there here in California, as we have in our area, a building code board of appeals system whereby you can have one of the architects, contractors, structural engineers, or other people who can pass judgment upon the technical matters that might faze or, rather, harry the building inspector?*

MR. CARTER: To answer the first part, I might say it is a very interesting and rapidly changing field. I have been in it for 22 years now, and I find that you never get the same question twice, but I do find that many organizations that have criticized building officials have never taken the time, for example, if they objected to one of the model codes, to change it. These are open hearings and anyone can participate. The Structural Engineers Association and the American Institute of Architects have taken a very active part, and they have seen to it that new amendments are made to the code to bring it up to date.

Each of the model codes is a performance type document and a specification type also. You can't have just a performance type code, because you would have only one paragraph in the code which says, "It shall be constructed in accordance with good practice." This is wide open as far as interpretation is concerned, and it is impossible to live under. You must also have a specification type document so that the smaller builder and owner can be assured that if he puts in studs, 2x4's at 16-inch centers, they will be adequate. That doesn't mean you can't space them at 24 inches if you use the performance provision of the code. You can develop any new type of construction under the Model Code as long as you have the substantiating data.

Now, as far as the responsibility of the building official is concerned, it's too great for any one man, because we are in an era of specialists. As a result we need group action in order to get enough competent technical assistance into the picture, which, by the way, we do through our research program, and through our code changes. In this way the best brains in the construction industry are utilized.

As far as the board of appeals is concerned, every member of our organization has a board of appeals as provided for in the code. But there is not a board of appeals, let's say, at the state or national level. And it's like the position our organization takes that neither the state nor our headquarters should have rights within a city or community. The

local government should have the final say as to policies and enforcement. Our staff cannot be involved unless we are asked in as consultants. It seems difficult to me to have a state appeals board or a Federal appeals board. It would seem more appropriate and logical to have the local appeals boards as we now have.

MR. FEINBERG: *Mr. Carter, while you are at the microphone, just to pursue a little bit further the question propounded to you previously by Professor DeGrove: He asked whether or not you had invited to your conference members of the trade unions and I think you said, "No, you saw no necessity for that." That was the correct answer, sir, is that right?*

MR. CARTER: That is correct, sir.

MR. FEINBERG: *Well, in reflecting may I ask you this: In view of the fact that the building codes pertain to the use of different types of material which continuously must affect the actual journeyman's work, which likewise therefore must have some direct connection with employees—the number of people you may need to use or the type of person that you may need to use—wouldn't this be of utmost and primary importance to you? And wouldn't you need their cooperation if you are trying to promote substitute materials, new types of products, which will change the approach to the construction itself?*

MR. CARTER: We assume, sir, that in many cases the labor unions in themselves are either represented by the materials associations or the contractors, and in the case of construction procedures I did not mean to specifically infer that we invited the other organizations and not the labor unions.

Our procedure is to publish notice of our code change to the public in our monthly magazine. This goes out to the entire industry, so they are well aware of this meeting being held. If they want to get up and speak they have a right to do so.

MR. FEINBERG: *My only thought, Mr. Carter, is that perhaps it might be apropos if you did invite the members of the different trade unions. I think this might be of some assistance in getting their cooperation. We have been advised in the course of our investigation to try to make some appropriate recommendations with respect to new materials which have been rejected by the unions, thus creating an additional cost in the construction of housing. Now I am referring, specifically, to residential construction rather than schools or other public buildings.*

Now, let me ask you this, if I may, Mr. Carter: There are two parts in your associations, ICBO, is that correct, sir? National headquarters and local chapters?

MR. CARTER: Yes, sir.

MR. FEINBERG: *And cooperation at these levels of your organization with university programs, to raise the level of technical competence of building officials? Of course this was dwelled upon by my colleague, Mayor Vandergriff, but what are you doing, actually, in pursuance to that?*

MR. CARTER: At the present time our staff members conduct courses. We just finished one in Minnesota and we had approximately a hundred building officials that were in attendance for a period of four days.

Our subjects vary from interpretation of general requirements to the more technical provisions such as structural concrete, wood, steel, and so on, through the entire realm of the code. These courses are given as far east as Michigan.

MR. FEINBERG: *Now, as to your other responsibility of district chapter meetings, where building officials and industry have an opportunity to discuss mutual problems that develop and to discuss uniformity of interpretation: Are you doing much about that?*

MR. CARTER: Yes, sir. I would hazard a guess that we have had at least 32 chapter meetings a month and this represents an area extending as far east as Michigan.

MR. FEINBERG: *Is there any way in your opinion, Mr. Carter, that the Federal Government could assist in either of these two programs?*

MR. CARTER: In our educational program, yes, sir, because the building official, particularly in the smaller jurisdictions, does not have funds that are readily available that will allow him to donate a week or two of his time away from the office for such a course.

We can't charge the building official dues or fees for this educational course. It would be of great help if additional funds could be obtained for this use.

MR. FEINBERG: *Mr. Carter, did you not say something about a procedure of appeal as far as the building code is concerned?*

MR. CARTER: We have within the code a provision which establishes a board of appeals.

MR. FEINBERG: *A board of appeals?*

MR. CARTER: Right.

MR. FEINBERG: *And from that point you would have to go into a court, I suppose?*

MR. CARTER: Yes. As a matter of fact, I functioned with a board of appeals for about five years.

MR. FEINBERG: *Mr. Taylor, does the State building code provide for residential construction as well as institutional and public buildings?*

MR. TAYLOR: All buildings.

MR. FEINBERG: *Now, do you have a specific housing code, however, here in California?*

MR. TAYLOR: Most localities have their own housing codes or they have adopted the uniform housing code published by ICBO. I might add that they also have their appeal boards.

MR. FEINBERG: *Mr. Taylor, this may seem repetitious, but I don't recall yet hearing a specific answer to the particular question that I think we as a Commission are interested in—and I particularly am—in respect to low-cost housing. This seems to be a rather difficult question to answer. But now, during the course of our fact-finding pursuits, we have been advised that one of the obstacles to finding the solution to low-cost housing is that we have a multiplicity of conflicting building codes in the respective communities and this makes it very difficult and economically unsound to be able to provide this type of housing. What is your answer to that?*

MR. TAYLOR: I would say the statement you made is unfounded.

MR. FEINBERG: *I said that we were told this, that we were advised. I just want to be sure that you attribute the source.*

MR. TAYLOR: Now, I know what they mean by a Philadelphia lawyer. No, I don't believe that this is true. This is not the reason for the difficulty about low-cost housing. I think it's due to the facts of material cost, labor cost and land cost. It's basically that.

MR. FEINBERG: *All right. Incidentally, the source of that momentous statement also stated that not all but many communities in their building codes have arbitrarily rejected consideration of substitute materials such as plastic instead of iron pipe and that this is one of the many reasons why builders cannot provide low-cost housing. What credence do you give to that statement?*

MR. TAYLOR: I don't believe that this is true either, because our appeal boards will listen to any appeal. They have to, from developer or architect. No matter what the terms might be, no matter what the conditions that he or the developer may design, the appeals board can review them. Many times they are rejected, of course, but many types of material are substituted, and if this becomes a regular substitution then it's our duty to see that the code is changed.

MR. FEINBERG: *Incidentally, in pursuance to that, can you tell me what procedure you use to approve a new product so far as the building code is concerned?*

MR. TAYLOR: In building codes, the manufacturer of the product is usually the one who has to prove to ICBO or our appeals board, and so forth, that it fits the minimum standards of health and safety for what he wants to use it for.

MR. FEINBERG: *Thank you. Mr. Ziegler, what credence do you give, sir, to the statement that the type of building codes now in existence in the communities are arbitrarily rejecting new materials? This is the statement made and I am merely quoting again, I want to caution you—but it was stated to us as an obstacle to providing low-cost housing?*

MR. ZIEGLER: Well, I'd like to ask you for specifics. I don't know of any specifications in this regard. I stated in my presentation that the building codes didn't cause the problem and the solution is not through uniform codes.

I'd like to state one thing here. I am going to quote from *The City Is the Frontier*, by Charles Abrams:

... federal law and regulation fix the maximum room cost that dictates minimum amenities, minimum room sizes, maximum building heights, and maximum economies.

In this respect it runs counter to the theory behind building codes and other devices aimed at improving standards. Under codes, the law prescribes the minimum on the expectation that no builder will or can go below it—but could (and hopefully would) do better. In public housing the federal government lays down the minimum but bars the housing authority from rising above it.¹

Now my point is this: How can a national model building code change FHA, FNMA, or the economics of speculative building?

¹ Charles Abrams, *The City Is the Frontier* (New York: Harper & Row, 1965), page 292.

MR. FEINBERG: *Well, I'm not advocating a national building code. I don't think it would be feasible at all.*

MR. ZIEGLER: That's part of the answer. I don't think the building code caused the problem, and I don't think the building code can solve the problem. It's a personal opinion.

MR. FEINBERG: *You would summarize it by saying that building codes have no effect whatsoever as far as low-cost housing is concerned?*

MR. ZIEGLER: No, I would not.

I stated in my presentation, I believe, that building codes might inhibit the solution, but they will not prevent it.

MR. FEINBERG: *Thank you very much.*

MR. LYONS: *This has certainly been an enlightening presentation from the three individuals who appeared before our panel, both in generalities and in specifics.*

I would like to know with respect to Mr. Taylor's knowledge of other states, are there many other states that have followed this line of establishing a State Building Commission and a state structure such as you have here in California?

MR. TAYLOR: Well, Commissioner Lyons, I can't answer that factually. I think, just from memory, there are about six or seven states that have developed state laws. All of them are not mandatory in the sense of the locality or county. I believe New York is an example of where they may adopt, by reference, the State laws, but it's not mandatory.

But in California, as I stated, the cities and counties have to have regulations at least equal to or greater than the State unless they can prove that the overall code gives the same health and safety protection thereof. There are specific items that can be reduced. In some communities like San Francisco and my community of Oakland, California, they have designed their Fire Departments to get to a fire within X number of minutes, whereas it might be 15 times that number of minutes in a rural area, so there might have to be more fire protection in the rural area than in a particular urban area, or you may have a better water system for fighting a fire in one community than in another, where they can strengthen or lessen the fire protection.

MR. LYONS: *From your presentation it would be my reaction, of course, that this is quite a valuable and efficient organization, your State Building Standards Commission operation. Is it the general consensus in the industry—among architects, builders and so forth—that the State Commission function has really been a valuable asset here in California, or is it a controversial question?*

MR. TAYLOR: It has been both. There has been controversy, and I think a fear, by communities of losing home rule, to the effect that when we do finish the State Building Code the Legislature might say, "This is going to be the code for California every place"; so that they'd lose home rule and, as I was just saying, the right to adjust for their localities.

As far as the building developers, and so forth, I think when they realize the tremendous amount of overlap and duplication and conflict

among the 32 state agencies, then they will find a better tool. I think they recognize this now that they will have a better tool to work within the State agencies.

MR. LYONS: *Mr. Ziegler, what is the viewpoint of architects in this whole area with respect to the operation and the whole program of the State code. . .*

MR. ZIEGLER: Regarding the State code I might point out—

MR. LYONS: *. . .and the structure under which it operates.*

MR. ZIEGLER: The State code has no structure under which it can operate, and it doesn't operate. The State code in California is known as Title 24. It's made up of numerous chapters that incorporate the various rules and regulations of the some 32 or 33 departments of the State government. The Fire Marshal's rules have been called Title 19. Now, in Title 24 they become Chapter 19. The Office of Architecture and Construction that checks our schools operates under Title 21, which now becomes Chapter 21 in the State code. The State code presently, as far as I am concerned as a practicing architect, is an unused and unusable document. The State Fire Marshal doesn't use it. He still uses Title 19. The Office of Architecture and Construction in the State of California doesn't use it. They still use their Title 21.

The State Building Standards Commission, we feel, has great potential. We don't feel that it has been as productive as it should be. We think it could do more.

I think this afternoon Elmer Botsai of San Francisco, an architect who is very active with the State Building Standards Commission, can probably give you more and better answers in this regard.

I don't know whether I have answered your question. As far as the profession is concerned we have the book in our office, but we find we can't even use it because we have to have all the other books, because this is what the enforcing agencies use.

MR. LYONS: *Then I am lost with respect to the function and the operation of the Office of State Building Commission and the State Building Code.*

MR. ZIEGLER: I may try and explain. The State Building Standards Commission is made up of representatives of industry and the public. I think there is one architect, one engineer, a contractor, several representatives of the public, building officials, and so forth. The Commission is chaired by General Lolli, who is the Director of General Services of the State of California.

Now, they have a very limited staff. It's a handful of people. I don't know how many people they have—six or a dozen—and they are charged by the Legislature with eliminating the conflict and overlap in the State agencies. In other words, to take these 32 agencies, very few of which have any qualified personnel, but they are writing code regulations that affect the construction of buildings, and get them in line.

In many cases the enforcement of these codes that the 32 agencies write is passed on to the communities and is enforced by the city officials. The State Fire Marshal has no enforcement authority by law.

Cities have to enforce this code, and it is normally delegated to the fire department.

In the City of Los Angeles, for example, the Building Department checks the fire safety in the building when you go in for a plan check or building permit application, but then we always have to have it checked by the Fire Marshal, because he's got a different code, so it doesn't eliminate conflict. It overlaps on a local level. Now, if we get the Fire Marshal to make the same fire regulations as those of the Department of Health or Department of Pharmacy or any of the other units that are writing regulations, then we are accomplishing something on the State level. But, the effect on all State buildings is not readily apparent. I don't know of any major community in the State that really says, "We adopt Title 24 as our code. This is it."

They have their own codes, generally the Uniform Building Code, and these codes are considered equivalent to, or more restrictive than, the State code; so the State code, per se, in California is not really a functional document that a building designer or an architect can go to and really find out what he wants. It has no administrative or enforcement provisions. It's a guide to try and straighten out this big mess that exists with all these various organizations writing rules and regulations—

MR. DOUGLAS: *I hope the record can be cleared up on one very vital point, because I find myself in continuous uncertainty as to the exact area of application of this State Building Code.*

First, I thought the testimony was that it referred to—that it covered—private building, and then I felt that it covered only public building; then I felt that possibly it might cover certain types of public buildings and not cover other types, and cover certain types of private buildings but not cover other types.

I think the record is now left in a complete state of uncertainty and if anyone were to read the record he would not know what the witnesses have meant to say.

I don't want to prolong this hearing but I want to clear this up.

MR. TAYLOR: I hope you understand, first of all, Mr. Chairman, that the State Building Code is not an instrument that has been finished yet. As I stated earlier, it was started in 1953, and it went through a lot of aches and pains in the budget, and so forth, and it is anticipated that it will be finished in 1970. As Mr. Ziegler stated, at that time all of these documents, from all of the 32 State agencies that have been writing codes, will be covered by the State Building Code for all agencies of the State Government—for all buildings by the State within the State.

MR. DOUGLAS: *Does it refer to any private building?*

MR. TAYLOR: No private building.

MR. DOUGLAS: *No private hospitals?*

MR. TAYLOR: No private hospitals.

MR. DOUGLAS: *No private hotels?*

MR. TAYLOR: No, sir.

MR. DOUGLAS: *No private motels?*

MR. TAYLOR: No, sir.

MR. DOUGLAS: *Not housing for agricultural workers?*

MR. TAYLOR: No, sir.

MR. DOUGLAS: *Not multi-family apartments?*

MR. TAYLOR: No, sir.

MR. DOUGLAS: *Not multi-story apartments?*

MR. TAYLOR: No, sir, only State buildings. Now, if the State were to build any of the buildings you mentioned it would apply because they pre-empt.

MR. DOUGLAS: *Well then, is there any State minimum set of standards for private buildings?*

MR. TAYLOR: That State Building Code that I mentioned, that will be the State regulation for State building—will be the minimum standards; and cities and counties must be equal to or better in their requirements.

MR. DOUGLAS: *But no private buildings?*

MR. TAYLOR: The private buildings would have to be equal to, or greater.

MR. DOUGLAS: *You mean that is coming; that's the next step?*

MR. TAYLOR: That's the next step.

MR. DOUGLAS: *You have the power to do this, but you've not yet done it?*

MR. TAYLOR: Yes, sir, we are working at this goal.

MR. DOUGLAS: *Well, when you promulgate the rulings will you cover single-family homes?*

MR. TAYLOR: Well, it will cover all building, including—

MR. DOUGLAS: *Well, a single-family home is a building.*

MR. TAYLOR: The single-family home within the State—private, single-family homes—will have to be equal to or better than the regulations adopted by the State Building Commission.

MR. DOUGLAS: *Do you other gentlemen agree with this?*

MR. CARTER: I don't really disagree with Mr. Taylor, only to the extent that I might point out that the 250 or 260 cities and counties in California using the Uniform Building Code, if subjected to a State code, will still enforce the Uniform Building Code.

We have been assured by the State that there is no loss of home rule. Now, there are areas in California—not cities or counties—that are unincorporated. And we would assume that all of these areas would be regulated by the State code.

MR. DOUGLAS: *That's going to be by 1970, is that right? That is going to be about 1970?*

MR. TAYLOR: Yes.

MR. DOUGLAS: *Which is two-and-a-half years away, beginning tomorrow.*

MR. FEINBERG: *One thing, just to carry that out. You say there's no fear of any infringement on the rights of home rule. But are you accepting the statement of Mr. Taylor, that no municipality, city, or county can enforce a building code which will be less than what the State Building Code promulgates? Is that false or is that true? This is what I want to know, and we all want to know.*

MR. CARTER: The State Building Code is the Uniform Building Code.

MR. FEINBERG: *I don't care what you call it. I'm talking about specifics now. Let's say your fine building code had set certain standards which were not recognized as equal to the minimum standards set by the State Building Code. Now, how far are you going to permit the State to go?*

MR. TAYLOR: According to State law, they can step in.

MR. FEINBERG: *All right, they can actually infringe upon the home rule policy to the extent that they shall set a minimum, basic standard, is that correct?*

MR. CARTER: Yes, but we have fields—

MR. FEINBERG: *That is what I wanted to know. All right, Thank you very much.*

UNIDENTIFIED SPEAKER: There is this question. It has been said the State does not have a building code that would cover this, but I will digress to this extent, that in a case of an investor who wants to construct a hospital he must submit his drawings to the State to comply with State codes. If he builds a private school he must do this. If he builds a convalescent home or rest home he must secure approval from the State. In one way or another he comes under State law. If he builds a place of detention, or the county builds a juvenile home or anything else, this is governed by State regulations. Day nurseries and day dormitories, multistory apartment houses, hotels, motels, and so forth, are covered by the State Housing Act, and now you are suggesting in this new code that all of these agencies which now perform individual and separate functions in the State will be consolidated under one code.

MR. ZIEGLER: May I?

MR. BAKER: *Yes.*

MR. ZIEGLER: There is one thing in your statement. Private schools do not come under the state. Almost every building—

MR. BAKER: *Then they have been pulling a lot of wool over a lot of people's eye for a long time.*

MR. ZIEGLER: Well, we do public schools and private schools, as they are known in the State of California. We go through the State Office of Architecture and Construction for checking, inspection, and so forth.

Now, private schools are built, if they are within the City of Los Angeles, under the jurisdiction of the City of Los Angeles, and we are under the City of Los Angeles for enforcement and inspection, and so forth.

MR. BAKER: *Is that not mandated by the State?*

MR. ZIEGLER: Let me proceed just a moment, please.

The State Fire Marshal has laws that affect school buildings. They are applicable to the private or public schools, but the State Fire Marshal does not enforce this. This is enforced by the Fire Chief in the City of Los Angeles.

Now, there are State housing laws in the State Housing Code. The State Housing Code uses the Uniform Building Code, 1964 edition. The areas or communities that have adopted the Uniform Building Code then have a code that is equal to or more restrictive than the State Code.

Now, this locally adopted code is administered locally and the State officials' enforcement has been pre-empted. This is the way it's done. To

say there is no State regulation on building of any type is not a true statement.

MR. BAKER: *That is the point I was trying to bring out.*

MR. ZIEGLER: I agree.

There is one thing—the difference between a public and private school. There is State jurisdiction over private schools. The Fire Marshal Code, Title 19, is the code on fire safety for school occupancies and other types of occupancies. I think Nick can probably state these better than I can, but any assembly of over 50 persons in the State is subject to the Fire Marshal's code. The structural requirement for private schools is governed by the *local* building code.

Now, we have here another conflict because Title 19—the Fire Marshal's code as related to buildings—is essentially the Uniform Building Code, and as such is at variance in certain elements with, say, the city codes here in Los Angeles. So when we have a restaurant, for instance, which is an assembly occupancy, located on the top of a building, we have to do our stairways in accordance with Title 19 of the State code. If that restaurant is below the fifth floor, then we can follow the city codes. That gives you an idea of how this works.

MR. BAKER: *There is another section of the State Housing Code which says in effect that the local jurisdiction shall enforce the provisions of this code pertaining to multiple-story apartments and housing units.*

MR. ZIEGLER: Yes, sir, providing these local jurisdictions don't adopt equal or more restrictive legislation.

MR. BAKER: Now we have a request from the National Council of Senior Citizens to address the Commission for about five minutes on the subject of low-cost housing. It is signed by Mr. James Carbray. Mr. Carbray, will you approach the microphone.

PUBLIC WITNESSES

MR. CARBRAY: Thank you, Mr. Chairman and members of the Commission. I was glad to hear that the building industry in general has deep concern for low-cost housing. In this community alone—Los Angeles County—we have some 600,000 people who are of retirement age, and have retired, and I think I need not remind you gentlemen that most of these people are retired on Social Security.

Mr. Carbray: Property Tax Relief for Elderly

I actually think that government statistics indicate that in excess of 70 percent of the people who do retire today have to depend solely on Social Security for their livelihood after retirement. Now, this creates quite a problem when you stop to consider that the average Social Security check in Los Angeles does not exceed \$85 a month.

Let us assume that the individual is drawing \$85 and his wife is drawing half of that over and above his. He has a home which we will say has a market value of mediocre level of \$18,000 to \$20,000. A perusal of tax records in the State—I am so happy that Senator Douglas points

out that taxation is one of the things you will touch on in this series of hearings—would indicate that the property tax on this piece of property probably is \$400 a year or more. Now, if we are talking about \$400 a year in taxes we are talking in excess of \$35 a month for this piece of property. Let's assume that the individual senior citizen and his wife jointly—well, let's say to be optimistic—that they are receiving \$140 a month between them or \$150 a month between them. Right off the top of that comes \$35 for taxes for this type of home. I have a home in my neighborhood that has a \$21,500 market value and has a tax bill of \$478. Now we're talking about \$40 a month off the top of this income of two people.

And what are they to look forward to? We have presently in this County of Los Angeles an almost assured increase of 15 cents per hundred dollars assessment valuation in new taxes. This is before the Board of Supervisors at the present time. On the State level the same people are going to be confronted with another tax, probably in the form of a sales tax increase.

It would seem to me that while the Federal Government is spending millions and millions on urban redevelopment to eliminate slums, what is actually happening in these cases—and we have many cases we could point to—is that people on retired, limited incomes, Mr. Chairman, are being required, as a result of pure economics, to dispose of their homes and seek other types of housing. The end result is they are accepting, by economic reasoning alone, substandard housing. You can go within a mile and a half of this building and you will find people that retired in their own homes who have since disposed of them and are living in second- and third-grade housing facilities.

What we are doing by the present taxing policies of not only the city, and the county, but also of the State, is creating slum areas at a faster degree by virtue of these taxing policies than we are eliminating them as a result of urban redevelopment; I think somewhere down the line this Commission ought to give consideration to some format or some suggestion that would provide some property tax relief for people in this bracket, because after all the property to be maintained, as well as the taxes paid on it, becomes an aspect of the slum element. So, we have to give some thought to this particular type of approach that would provide some relief.

Now, there are 11 states in the United States since the enactment in the State of Michigan of its new homestead exemption law and the New York homestead law which provide some property tax relief. It may come as a surprise to many of the northerners and to many Californians that included in those 11 states are such liberal and progressive southern States as Mississippi, Georgia, and Alabama which provide tax relief for people over 65 years of age.

MR. BAKER: Mr. Carbray, I regret that I am going to have to ask you to conclude, but you may submit additional written testimony if you wish.

MR. CARBRAY: I would simply call to your attention the fact that I feel the Commission has an obligation to consider an evaluation of the

taxing process and the tax mechanics that are used by municipal and State and county governments to the extent that some form of relief will be granted these people. And that in addition to doing this, something will be considered in terms of substantiation for the development of low-cost housing—I hope at the price that was indicated by Mr. Carter, \$55 a month, because a man with \$150 income cannot pay what he's being asked now, \$85. Thank you, very much.

MR. BAKER: Thank you, Mr. Carbray. I might say that is part of the assignment that President Johnson gave this Commission: taxation.

Is there anyone else who wants to approach the microphone and give us a brief report on a specific problem and suggestions on how it might be resolved? All right, would you give us your name and your affiliation, please?

Mr. Price: Look at the Whole Picture

MR. PRICE: I am Mr. Arthur G. Price, and I appear here as an individual citizen of the Los Angeles area.

I'd like to point out to the members of the Commission that of course the problem that you are studying is a tremendous problem and all of America has some concern about it today. My grave concern is that when we have this concern and as we approach this problem to attempt to solve it—that is, the question of urban problems—that we approach them in their entirety and in all of the various aspects.

If I can make an observation, we have difficulty in getting a forceful approach to a solution because we take a limited approach rather than looking at the whole.

I suggest that, for instance, in this State we are discussing housing standards and codes, and so forth. We have to remember that we didn't pass any codes in this country until 1928. The first state, New York—and all the states ever since—have been playing catch-up and therefore generated this writing of codes. Most of the states wrote their codes some years after that. Now after a second look we are talking about creating uniform building standards across the country, and in this State have created a State Building Commission. And we are just in one phase of trying to get cooperation among local governments and the national government in all aspects, and particularly in this aspect. Until we can get this kind of cooperative thinking and planning we won't move far in uniformity in building codes or anything else. So, my real point here, my suggestion to you, is that while there are several areas to pursue, the Number One, is to create adequate housing for low-cost families. I think it is feasible to do.

There are some unique approaches being taken by people in various sections of the country. There is a very unique approach in the San Francisco area in this State which was financed by one of the maritime unions. We have the approach that John Lindsay is making in the City of New York. We cannot accept, in my opinion, the statement by the building people or anybody else that you can't create adequate housing for any people in any given society. Masses of people suggest we can't

create adequate housing through the same force that turns the wheels in America and supports you and I. I suggest that we address ourselves to seriously looking at the whole problem in all of its aspects. And we can not accept, as was suggested by one of the witnesses, any lesser standards for those people in any one given area than we can for another person.

Thank you, gentlemen.

MR. BAKER: I think we have time for one more witness before we recess.

MR. DOUGLAS: We will have an opportunity later this afternoon for other testimony.

Mr. Lewis: Variety in Code Demands

MR. LEWIS: My name is Ralph Lewis, and I would like to speak under several hats, Mr. Chairman.

One is that I am a member of the California Commission on Housing and Community Development. I share Senator Douglas's concern that there is some confusion in the testimony about the State housing code, about work in the different agencies.

Rather than take your time I will ask the director of our department to send in a statement to your Commission on just what the Department of Housing does in the way of promulgating codes and enforcing them. But I think your record right now is not clear and has some inaccuracy.

Now, putting on a builder hat: I am a homebuilder in the Southern California area. I am now not speaking for the State Commission of Housing but purely as an individual. This discussion on building codes concerns me.

Mr. Feinberg asked if it was true that differences in codes and the multiplicity of codes, and so on, had anything to do with housing costs and I would like to answer, "Yes, definitely a great deal."

Again, I won't take a lot of time now, but I made a last-minute decision to come in this morning, reading the reports of your meeting, and I asked one of my superintendents to give me a list of differences in codes in the adjoining cities where there is no difference in climate or geology, where there should be no reason for any differences in the codes, and he gave me a list which I will type up, just a couple of examples.

We are building on tracts right now in some nearby towns—Redlands and Upland—identical houses. There are no differences in any conditions. But one code calls for one kind of wiring, and the other city does not allow it. There is a difference of \$175 to \$200 per plan. It's just impossible for us to see any justification for extraordinary code differences in the minor differences between the two cities. I would also mention Pomona and Claremont—adjoining cities within the same area, with the same climate, same geology, no reason for very different requirements. Yet for a return chamber unit on a forced air furnace there is a difference of \$20 a house. One city requires a larger furnace closet, so that you have to enlarge a whole section of the house or steal

space from another part of the house. There is a difference in building permit fees. Some give reductions where you have multiple applications, like for a tract of 30 or 40 houses.

Los Angeles County will have a 10 percent reduction in the permit fee. Some of the cities don't. We suspect they don't need this additional cost to do their work but rather just assess that as an additional source of revenue.

In this one tract in Upland we find a different requirement in hooking up the water system—different than any other system—different than any other cities require. This runs another \$28 per lot.

These are examples of what we find. We don't think there's any justification for cities having different codes and I'll be happy to submit this in writing to your Commission.

I would also like to be allowed to speak tomorrow on the question of zoning and lot size requirements. I have a great deal of information on that.

Thank you.

MR. DOUGLAS: *Could you submit that information for our records?*

MR. LEWIS: Yes. I will type this up and bring it tomorrow.

MR. BAKER: We have time for you [woman standing] if you will approach the microphone, please.

UNIDENTIFIED WOMAN: I just want to ask one question. My voice carries very well. What does the Watts people, Watts area people, have to look forward to by way of this urban redevelopment program?

MR. DOUGLAS: *What do you have to look forward to?*

SAME WOMAN: What should they look forward to?

MR. DOUGLAS: *Well, I think Watts would fall within the same category as Chicago or New York or Boston or Washington, D.C. As a result of this Commission's studies and efforts they would enjoy the same privileges and the same results that any other like communities throughout the Nation would enjoy. Specifically, I don't think we are yet in a position to say. We are a fact-finding body. We are not an investigative body. We are here now to seek information in support of the recommendations we shall make in response to the charges that we have been given by the President. So I don't think I could answer that question as you have asked it.*

SAME WOMAN: Well, we are very worried about redevelopment. When you mention single-home unit dwellings, well, we are completely wiped out in this plan, because industry is scheduled to take over our area. There is thousands of people to be uprooted from this area if this goes through, and the people are really, really upset. And when someone mentioned about this South Africa today—I've heard that before—seemingly if it works in South Africa it will eventually be presented to the Watts people. But we feel as Americans that you should not go to South Africa to test anything out to bring to us. We are Americans. And we want to be treated as such. See, our sons are fighting and dying in Vietnam.

The code is so structured here, from these statement to the Commission, that we are not even involved. But our sons are ignorantly and de-

liberately fighting and are dying more for this country, more than any other group of people. So we ask you to take another look at the code. We beg you to take another look at the code because we must have our share in this democracy. We must have.

So we want you to do all you can to see to it, because our boys' blood is running for somebody else's freedom, and that they may have a better life, and let us have freedom to fall on us all over here in America.

MR. BAKER: Thank you very much.

We will recess and reconvene at 2:00 o'clock.

(Adjournment.)

*Board of Education Cafeteria
Los Angeles, California
Noon, June 30, 1967*

Commission members and staff met for luncheon with Lawrence Weinberg, Beverly Hills homebuilder, as speaker. David Pellish, an assistant director of the Commission, chaired the luncheon session.

WHERE THE COSTS LIE IN BUILDING

MR. PELLISH: We have tried to compress a lot of the discussions so that you can hear many varying opinions and benefit from the different experiences of the professionals and builders who have cooperated with us and have consented to appear before the Commission.

Mr. Laurence Weinberg is a builder and president of the Larwin Company, which is a large building company in the California area. He's also cooperated in a very unusual manner in making available to housing periodicals the experiences that he's had in terms of costs. Now, we have discussed costs of construction in many different areas, but this is the first time that we actually get down to the specific topic of where the costs actually lie in building.

Mr. Weinberg.

MR. WEINBERG: Thank you very much. Let me begin by distributing my cost analysis [reproduced below]:

Basically, the first table covers the house cost analysis. The next three are schedules pertaining to individual items on the house cost analysis, and the last is an analysis of the downpayment and monthly payments of this particular house.

I thought it might have some value if we could convert the individual items to cost per square foot in the house delivered, and a percentage of the individual items bearing on the total sale price of the home. For these purposes I took what I believed to be a typical house—a new house—that's available in the Southern California market. This is a house that would sell for about \$25,000 and might typically be financed through FHA. Now, I'd like to give you, to the best of my ability, what

I believe to be the economic perspective as it relates to this house, as it relates to the homebuyer's view of his cost of the house, and some of the comments on the factors making up these costs. I hope you'll also understand that we have tried to round out figures here for the purpose of making it easier to understand.

I—HOUSE COST ANALYSIS

	Total Cost	Cost per Foot Based on 1678 Sq. Ft.	Percentage on Sales Amount
Land	\$ 6,000.00	\$ 3.576	24.0
Land Development Cost	2,000.00	1.191	8.0
Sub-Total Finished Lot Cost	8,000.00	4.767	32.0
Construction Costs	10,800.00	6.436	43.2
Financing	2,700.00	1.609	10.8
Marketing	1,000.00	.596	4.0
Overhead	1,000.00	.596	4.0
Profit	1,500.00	.894	6.0
Sales Amount	\$25,000.00	\$14.898	100.0

II—LAND DEVELOPMENT COST

	Total Cost	Cost per Foot Based on 1678 Sq. Ft.	Percentage on Sales Amount
Engineering and Soil Reports	\$ 175.00	\$.104	.70
Permits, Inspections, Bonds	62.00	.037	.25
Excavate, Grade and Pave	955.00	.569	3.83
Water Systems	293.00	.175	1.17
Sewer Systems	252.00	.150	1.01
Storm Drains	52.00	.031	.21
Underground Electric & Street Lighting	173.00	.103	.69
Landscape, Signs, Blueprints, Miscellaneous	38.00	.022	.14
TOTALS	\$ 2,000.00	\$ 1.191	8.0

III—CONSTRUCTION COSTS

	Total Cost	Cost per Foot Based on 1678 Sq. Ft.	Percentage on Sales Amount
Architectural (\$20 a house) Engineering, Permit and Plan Check	\$ 124.00	\$.074	.50
Plumbing	1,240.00	.740	4.96
Concrete Structures	857.00	.511	3.43
Carpentry Labor and Taxes	1,174.00	.700	4.70
Lumber—Rough and Siding	1,329.00	.793	5.32
Sheet Metal	80.00	.048	.32
Masonry—Fireplaces and Veneers	307.00	.183	1.23
Clean-up	77.00	.046	.31
Electrical Wiring	355.00	.211	1.42
Heating	200.00	.119	.80
Roofing	737.00	.438	2.95
Frames, Jambs, Windows & Trim	604.00	.360	2.42
Painting	514.00	.306	2.06

III—CONSTRUCTION COSTS—*Continued*

	Total Cost	Cost per Foot Based on 1678 Sq. Ft.	Percentage on Sales Amount
Drywall	773.00	.461	3.09
Lath, Plaster and Stucco	380.00	.226	1.52
Doors, Hardware and Weatherstripping	128.00	.076	.51
Cabinets, Millwork, Counter Tops	439.00	.262	1.76
Wainscoting—Bath	130.00	.077	.52
Shower Doors and Tub Enclosures	34.00	.020	.14
Flooring—Resilient	288.00	.172	1.14
Medicine Cabinets	60.00	.036	.24
Light Fixture Package	123.00	.073	.49
Driveways and Landscaping	175.00	.104	.70
Appliance Package	311.00	.185	1.23
Supervision	180.00	.107	.72
General Overhead (Telephone, Water, etc)	181.00	.108	.72
	<hr/> \$10,800.00	<hr/> \$6.436	<hr/> 43.20

IV—FINANCING

	Total Cost	Cost per Foot Based on 1678 Sq. Ft.	Percentage on Sales Amount
Real Estate Bonds	\$ 5.00	\$.003	.02
Title Costs	130.00	.077	.52
Recording and Reconveyance Costs	15.00	.009	.06
Internal Revenue Stamps	30.00	.018	.12
Escrow Fees	54.00	.032	.22
Interest *	933.00	.556	3.73
Discount on Sale of FHA Mortgage	1,500.00	.894	6.00
Real Property Taxes	30.00	.018	.12
Credit Reports	3.00	.002	.01
	<hr/> \$2,700.00	<hr/> \$1.609	<hr/> 10.80

* Includes: 2½% Origination Fee; 6½% rate for eight months for 50% of funds drawn.

V—ANALYSIS OF DOWNPAYMENT AND MONTHLY PAYMENTS BASED ON FHA-FINANCED PURCHASE

Sales Price	\$25,000.00	
Loan	\$23,000.00	
Principal and Interest		\$138.00
Taxes		50.00
Fire Insurance		5.47
Monthly Mortgage Insurance		9.53
Total Payment Monthly		<hr/> \$203.00
Down payment	\$2,000.00	
Closing Costs	365.00	
Prepaid Items *	150.00	

Total Cash Investment \$2,515.00

Approximate Income to Qualify: \$850.00 per month

* Includes fire insurance, one-month MMI, and estimated tax impounds—the minimum requirements for prepaid items.

The first item relates to land. Land is part of the component "finished lot cost," and on the house cost analysis you will see the total cost of land is \$6,000. This relates to the fact that acreage—this being in Orange County—generally costs about \$30,000 an acre. We are generally talking about lots that are about 6,500 square feet and generally yield about five lots to the acre. Therefore, simple computation shows that five lots yield a \$6,000 raw lot cost; the land development cost in that particular community runs about \$2,000 a lot, so our finished lot is \$8,000 and, interestingly enough, represents 32 percent of the total sales price of the home, not quite \$25,000. We built homes on lots of this size back in 1948, '49, and '50, and for the purposes today, I went back and dug up some of my old cost records of homes that we delivered in 1950. At that time we were delivering the home to sell for \$7,200 and, interestingly enough, the lot was also the same lot size. I'll make comparisons as I go along.

Getting into the land portion, land in 1950 cost us \$3,000 an acre. Today, land is costing us \$30,000 an acre. Our finished lot cost in 1950 was \$1,250 a finished lot; \$600 of it represented my raw lot cost, \$650 was the cost to improve that lot. At that point the finished lot represented 17½ percent of the sales price. Today it represents 32 percent.

Now, much has been said, I guess, on why land has gone from \$3,000 an acre in 18 years or so to \$30,000 an acre. I believe I have some ideas about some of the fundamentals issues involved here. I think the most important factor is that we here in Southern California have enjoyed a strong and steady housing market. Without that we couldn't have had this kind of appreciation. I think there is another important factor that many of us in the industry perhaps lose sight of, and that is the impact of financing as related to the ultimate cost of the product. Financing of land over a long term is a very difficult accomplishment for homebuilders, particularly in Southern California, and land is the raw material with which a builder operates. If he doesn't have enough land to start a development, six months from now, or a year from now or two years from now, he is out of business. If he wants to have a continuing operation, he has to provide for the availability of this raw material.

Now, the typical sources of financing the acquisition of raw land in Southern California have been through the savings and loan industry. The savings and loan industry has many advantages. It has one distinct disadvantage: that is that the acquisition of land has to be for cash. There can be no mortgage on it. The land that was available 18 years ago was available for \$3,000 an acre generally.

We have the following kinds of typical terms for a homebuilder: 29 percent down, the balance over three equal annual payments. Now, if I bought a piece of land on this basis perhaps another builder would come and buy the land across the street, and perhaps he would come to a savings and loan because he didn't have the downpayment. Perhaps the savings and loan says, "Okay, we'll buy the land at \$3,000 an acre because we know that another builder just bought some land at \$3,000 an acre across the street, but we have to pay cash for it, so we'll charge a little extra fee. But you'll know you have paid off the mortgage on

this particular piece of land."

Now comes the third builder to a piece of property that is perhaps kitty-corner. He comes to the farmer who owns this piece of land, and he says, "I'd like to buy this piece of land." The farmer says, "Well, that's nice, the fellow kitty-corner from me just sold his for \$3,000 an acre, cash." He says, "Gee, I'm not in a position to pay \$3,000 an acre cash. What is the best price if I bought it for 29 percent down and the balance over three equal annual payments?" And the farmer thinks for a while and he will say, "Well, maybe \$3,500 an acre." And he comes from his savings and loan. And he says, "Okay, now I want to buy the fourth corner here, and since the market is \$3,500 an acre my savings and loan will buy it for me at \$3,500 an acre, and because that's the market nobody is losing by it." Now the fellow down the street comes and finds land priced at \$3,500 an acre cash, but he can't pay cash the next month or so, so he says, "Okay, I'm willing to buy it at \$4,000 an acre with terms."

Maybe this is an oversimplified situation, but in my judgment this is one of the fundamental factors that has been involved. This, plus the fact that we have strong market conditions, has contributed to a gradual moving up of the price of land in our community. Now, there have been other factors along with it, one of the factors being that as time goes on we will have earned more money. Basically, buyers don't want the 720-square foot house we built 18 or 20 years ago any longer. Now they are equipped to buy a home that would have 2,000 square feet. So, the builder is better able now to take the chemistry that involves a little higher price for his land, build a little more house, and put some more amenities in, and the land factor isn't too far out of line as he goes along.

But getting back to my judgment of the fundamentals here: You have a strong market, and the problem is financing land that you acquire today that you might want to use three, four, or five years from now. For example, perhaps I can demonstrate with the problem for the builder in Orange County today. If he's going to buy a piece of land and hopes to build perhaps 130 or 150 homes a year over the next year, most likely he hopes to buy 100 acres. That translates itself into a \$3 million investment. If he were to pay the typical terms that are generally available, 29 percent down, that would mean \$870,000 down in cash. He would then have to pay about \$700,000 a year in principal payments over the next three-year period. In addition, he would have carrying costs of about \$200,000 a year, broken down between taxes and interest on his property. Now, this is a rather severe burden for anybody who is timid enough to just want to build 150 homes a year. It is a very substantial obligation. It has another effect, and that is that when you have this kind of investment in a project that would just yield 150 homes a year, and you have the commitment to pay principal, interest, and taxes, it forces certain kinds of decisions on the builder that under other circumstances he might make differently. When you know that between July and December 31 you've got to pay another \$700,000 on a piece of property, you may say, "Well, the market may be a little soft right now,

but I can't really afford to wait until next year when the market picks up. I've got to move now. This is my best chance. I will design the best house I can, but I've got to move on this project now and hope for the best."

The next item relates to land development costs, and here land development costs of \$2,000 compare with the cost that we had in 1950 of \$650 a lot for the same size lot.

Now, in order to put land development costs into proper perspective, in 1950 we didn't have sewers, we didn't have street lights, we didn't have underground utilities, we didn't have sidewalks either. So I would say that those items I've just enumerated account for \$400 or \$500 of this difference. In addition there has been a substantial increase, as we are all aware, in the costs of labor and material that go into the improving of a lot. There are additional costs because of the sophistication, and properly so, of the agencies involved. They are now requiring certain soil tests and certain accommodations to whatever those soil tests indicate in terms of development to the lot. There are, in addition—depending on what community you are operating in—certain fees we did not have 18 or 20 years ago. I'm not certain these are the best systems, but these fees are for the purpose of hooking up sewer systems, of creating park districts, being able to drain your property, and so on. Depending on the community, in Southern California these fees can range between \$200 and \$600 a lot. Six hundred dollars a lot is almost the cost of our entire lot improvement cost of 18 or 20 years ago.

I would also like to remind you that the builder is in a rather poor position to negotiate under these circumstances because of the burden that he has for prompt movement in terms of his investment. He has such a substantial cash equity involved, and such substantial cash payments, that he can't really afford the luxury of sitting down and working out with the planning commission a plan that may take six months or a year. And the FHA or VA says, "We think a program should be designed with this street pattern," and the city says, "No, the streets should run differently." He has to work out an expeditious solution that will satisfy everybody as quickly as possible, and it may not be the solution that he believes to be the best. But in the total consideration of the economics in which he is operating it's the most practical kind of solution, and he has to move quickly.

I have attached as Item 2 a schedule for land development costs, broken down on a cost per square foot basis, considering that we have the maximum costs.

The percentage on the sales—the next item—has to do with construction costs. Here we are talking about a \$10,800 construction cost. Now, interestingly enough, this comes to \$6.44 per square foot. Our present programs are costing anywhere from \$6 to \$7.50 a square foot to build. In 1950 the 720-square foot house that we built cost us \$5.70 a square foot. Here too I think we have to understand the perspective. We are talking about 720 square feet. Your cost per square foot in a smaller house generally goes up. As you have more square footage, you are not adding much more in terms of the cost of your furnace. You

may now have two or three baths but your overall square foot costs remain the same. Today we are building a house of 1,678 square feet as compared to 720. However, we are today including a lot more in our house than we ever thought of including before. We are including practically complete appliances, facilities for air conditioning, and some builders are including air conditioning. It's much closer to a really complete livable unit than what we were providing before, which was a shelter house situation. But, I think it's rather remarkable—when you think that in 1950 we were paying our carpenters \$1.85 an hour and today we are paying them over \$5 an hour, and we are all aware of the increase in other costs that are involved—that our square foot costs have really gone up only from \$5.70 to \$6.44. I'm not saying that's wonderful.

In my judgment there are many ways we can improve on the cost of a home. For instance, in my judgment the codes—the multiplicity of the codes and all the problems attendant thereto—create an important additional cost factor, and I don't believe they are completely necessary. I don't think that's the fundamental problem. I think it's one of the important problems, though.

If we could have one authority that we could take our building plans to, and when we received his approval, we would know this meant the approval of the county, the city, the state, the FHA and VA, and of the lender—I think, from the point of view of the paper work alone, there would be some very substantial improvement. Our subcontractors, also, would understand simply and uniformly what is required electrically, plumbingwise, and so forth.

House construction costs are still the largest item in the house, representing 43 percent of the total sales price. I think that in the long run the greatest detriment of the kind of code factors that we have working today is that they create an environment that stifles creative approaches to the solutions of the house design in terms of construction. We know the rigidity of some of the governmental agencies—the FHA and VA, and some of our local governing agencies—and it takes a rather courageous builder to feel that he is going to come up with a new approach and be able to convince all the agencies involved that, even if this does lower the cost and even if it produces a better house, they will accept it.

I think in the very long run that builders as we know them today, and I am referring to merchant builders, will develop into a small group of merchant builders around the country where each builder may be building twenty, twenty-five, or fifty thousand homes a year himself. I look forward to that time, because I think when that time arrives the builder will be able to afford to put \$100 or \$200 per house into research on his particular kind of building project. Now, when you are talking about putting the \$2.5 million this would bring into research and development on the kind of houses that I want to build in California, I think it's very difficult to predict the possible impact that this kind of program could have on the cost factors, let alone the design factors that we might be able to develop.

The next item that I have listed here is finances. Now, here we've indicated that financing costs \$2,700, or a little over 10 percent of the sales price of this home. This is the way it goes. The builder must get a construction loan. Typically in California the builder gets his construction loans from savings and loans and he pays under the following kind of a fee structure: 2½ percent for the privilege of borrowing the money, and in addition generally 6½ percent on the outstanding balance. If you figure an eight-month building cycle, this will translate itself into an effective yield of 14 percent to the lender. In my judgment that's much too expensive a means of financing your interim construction. In addition, the builder is faced with paying approximately \$250 for the following kinds of miscellaneous costs: real estate bonds, title fees, recording and reconveyance fees, Internal Revenue Service fees, escrow fees, credit reports, and so forth. If you take this \$250 and add it to the \$933 you come close to the \$1,200 if this home is financed under FHA. Today's market under FHA in California requires 6 percent discount. Now six points—I hope everybody understands what this means—for the privilege of borrowing money for 30 years and paying 6 percent interest. The builder has to pay the kind of points that will increase the yield to the ultimate investors to the point where it's satisfactory to them.

MR. DOUGLAS: *It used to be 2½ percent?*

MR. WEINBERG: Yes, the 2½ percent relates to the construction; the six points relates to the long-term loan.

MR. DOUGLAS: *That's on the amounts borrowed rather than actually owed?*

MR. WEINBERG: The six points is on the original face amount. In the case of the \$25,000 sales price, the loan amount would be \$23,000, so it would be six points times \$23,000.

MR. FEINBERG: *It is an equivalent to an advance payment of interest, is it not?*

MR. WEINBERG: After payment of interest it is an equivalent to the fixed amount for the purpose since you have a fixed rate of increasing the ultimate yield to the lender. When you add these facts together, you come to about \$2,700 per house, perhaps representing again a little better than 10 percent. Now it's no secret, really, if I talk about these things. The costs that are inflicted upon the builder, if he is going to stay in business, get moved over to the home purchaser; so when some communities say, for instance, "Let's stick the builder for a bridge fee, or let's do that or this to the builder," they might be directly charging the builder, but ultimately he has to increase his sales price or otherwise he goes out of business.

The other items I have here are marketing costs, which generally amount to about 4 percent of the sale of the house; overhead, which amounts to about 4 percent; and profit, which amounts to about 6 percent. It's interesting, unfortunately too interesting, from the builder's point of view, that in 1950 we used to make about \$1,100 a house on a \$7,200 sales price, which is over 15 percent. Today, with greater risk, greater capital investment, with a lot greater organization and technol-

ogy involved, we make \$1,500 hopefully, very hopefully, on the \$25,000 sales price—or 6 percent of the sales price.

Now, just to complete the picture as I see it, I'd appreciate it if you would turn to the last item. This last item is entitled, "Analysis of Downpayment and Monthly Payments Based on FHA-Financed Purchase." The sales price is \$25,000. The required downpayment is \$2,000—and that has to be paid in cash because provisions in FHA prohibit any secondary financing. The monthly payment of principal and interest would be \$138 over the life of the loan. Taxes of \$50, fire insurance at \$5.50 approximately, and monthly mortgage insurance payments to the FHA of \$9.50 make a total of \$203 from a cash point of view. The buyer of that home will pay the \$2,000 downpayment and approximately \$500 for closing costs and prepaid items, making his cash investment in the home approximately \$2,500. In order to qualify for this home he must have a minimum clear income of \$850 a month.

Now, years ago the typical way that home buyers equated sales price was: "How much down is it?" and "How much do I have to pay a month?" I think as time has gone by homebuyers have realized there are many costs beyond "How much down?" and "How much a month?" For instance, 90 percent of the people we are selling today—and I take it that most of our fellow builders are selling today—are people who have first to sell a home. Let's assume for the moment that the buyer already has a \$20,000 home that he has to sell in order to purchase our home, and let's assume just for ease of comparison that he's selling this home to a new purchaser on the basis of FHA financing. He has to pay 6 percent real estate commission, which on a \$20,000 house would be \$1,200. He would have to pay his 6 points for the new FHA financing which would, on the new loan, be about \$1,200. He has to pay escrow fees, title fees, permit and inspection, revenue statements, and so on, which brings the cost of selling his home to about \$2,750. That's just cash cost to sell his home. Perhaps he might be lucky enough to sell it himself without a real estate broker. I have made the assumption he had to hire a broker. So, if you add the \$2,750 to sell his home to the \$2,500 cost to buy our home it costs him \$5,250 to decide to move out of his old home into our new home. This is in addition to any prepayment penalties that he may have on the mortgage on his old home, and any costs that he has to repair his old home to bring it up to market value or sale value.

In addition, he has also learned that the actual cost of moving is more than just loading the furniture in the back of his car or something like that and transporting it to the new home. He will be faced with the cost of furnishing and landscaping his new home.

Well, in recapping this situation I feel that there are five fundamental areas that we really need to work out. The first has to do with a permanent mortgage. I believe it should be more in keeping with the true value of security, and with the time needs of the borrower. For instance, I think that serious consideration should be given to the possibilities of turning this loan into a 50-year loan, instead of a 30-year loan. I think under certain circumstances this loan should have different rates of

amortization. For instance, I think there should be a lower amortization rate during the first 10 years of the fifty-year period when the borrower has greater need, when he is getting activated into the community. Certainly the homes we are building in California today are engineered and designed for an economic life of greater than 50 years, so from the security point of view, I don't think this is at all inconsistent.

I believe that there should be additional provisions made within the FHA and all mortgages to enable financing additional improvements in the home, such as built-in furnishings, or certain kinds of improvements that he would want to make to his lot.

In this first area, relating to long-term mortgage, I reluctantly come to the conclusion that it's necessary to develop a flexible interest rate as far as FHA is concerned, because what we are doing by having a fixed interest rate of 6 percent is forcing this discount on the buyer today, when he can really least afford it. It's a cash cost today. But it's intended to stretch out, or to provide for a certain yield, over the life of the loan, and I think he would be better able to pay it in that fashion rather than to pay it today, selling his home in order to buy the builder's home.

Secondly (this is an area that I hardly touched initially and it has to do with the question of real estate taxes), I would like to see a legislative maximum of 2 percent of the value of the home as the maximum real estate taxes that a real estate buyer would be paying. This could do several things: The person buying the home, would have the understanding that no matter what happens, this is his absolute maximum. Also, I think that some of the taxing authorities recognize that such a maximum might force them to be a little more prudent in the expenditure of some of their tax revenues.

We are building in one particular area considered statewide to be an impoverished area. Several years ago we attended a budget meeting of the school board, and three or four other people in the district attended. The school budget ran about \$6 million. One person was courageous enough to ask a question that related to a \$5,000 item, and was answered, and thereafter the school budget was approved. Now, this school district has won awards for architectural designs. For a fact, they are now carpeting their floors and have air-conditioned school buildings, and so forth. I don't want to stand here and be against making school buildings nice, but I think that there are families in this community who are struggling today to try to maintain their homes and their economic status, and this kind of luxury is one that, if they really came face to face with it, they would have chosen to do without. As related to this kind of a situation I would like to see the tax assessor, when he sends out the annual evaluation of property, to list for the home owner every one of the taxing agencies that will have an impact upon his tax rate, and the date and place of all their budgetary meetings. Thus, if a school board like the one I mentioned had 200 or 500 people in the audience who were seriously interested in what they were allocating their money for, they might have acted a little differently than when they only had four people.

Third, I would like to find some way by which we can avoid the duplication of code requirements of the FHA, as contrasted with the city, and as contrasted with some of the other code-writing people, in deciding what is the proper kind of house to be built. I think that in paper work alone, which takes valuable time of the builder and of the entire community, there could be great time savings which could be translated into important dollar savings as well. Perhaps we might permit the builder to provide certification of the soundness of his home with appropriate financial guarantees. This third point, relating to codes, is applicable to zoning as well, to permit more creative solutions to our land use.

Fourth, I'd like to see made available a kind of long-term financing for land to be used for economically sound projects. I am not talking about something for nothing. I am talking about projects where the developer has a substantial financial ability, where he has a financial equity in the property, and so on, but where he can finance this over a long term at much more reasonable rates. Many lenders have talked about 10 percent rates going up to 20 percent. This kind of cost is ultimately borne by the public. I think the public would be well served to have this long-term financing available. It would provide another benefit in that builders would have an interest in doing the kind of long-range planning that would have esthetic and economic benefits as well.

My fifth suggestion is to provide for simpler and more economic ways to sell or trade homes. There are certain costs that I believe are somewhat parasitic costs which are involved when you want to sell a house to someone else. These costs may amount from \$300 to \$600. There should be ways found to streamline these costs and get them more in line with the service that they perform.

Finally, I believe that the opportunity to cut costs in housing to the public exists. But in order to make substantial cuts we have to find bold new approaches in all of the different areas related.

It's not going to take a concentration on codes alone. It's not going to take financing alone. This is a many-fronted war, and unless we look at it in that sense I think we will miss the opportunity to make the most substantial kind of advances.

MR. JOHNSON: *Could you tell me, sir, just offhand, what percentage of the total family groups in Southern California could afford to buy this \$25,000 house?*

MR. WEINBERG: Unfortunately, a very small percentage. I really don't know, but I'm sure that it would be much less than a third.

MRS. SMITH: *Could you, sir, break down the architectural and engineering? The architectural costs?*

MR. WEINBERG: We have been fortunate to be able to keep those costs down. We have arrangements with different architects whereby we have been able to produce a superior product at low design costs.

MRS. SMITH: *That didn't answer my question.*

MR. WEINBERG: Getting back to your question, if you want the specifics, we have arrangements with an architect who we believe gives us a very preferential rate. Based on doing business with us he does business

with about fifty other builders. The costs that he charges us, frankly, are basically hourly costs, something like \$6 or \$10 an hour.

I may comment further on this to give you perspective on the quality of the design. I believe that we in Southern California probably do a little better job designing homes than is available throughout most of the rest of the country for this price, and I know that we are always delighted to see other builders from around the rest of the country come out with their cameras and scratch pads to adapt our programs to theirs.

MR. DOUGLAS: *Does this mean you have a standard set of drawings?*

MR. WEINBERG: No, we develop basically new plans for every new project.

MRS. SMITH: *Who pays for a set of details? This is not out of the \$20?*

MR. WEINBERG: Well, if that \$20 is to include a program which will have 500 or 700 or 750 homes, it will translate itself into ten to fifteen thousand dollars, and we can do a pretty fair job of detailing for the money.

MR. JOHNSON: *I would like to point out, for the rest of the Commission members, that in the Northeast, where we live, I think fewer than three percent of the single-family dwellings are actually designed by architects for a specific client, and in those cases the specific architectural cost is much, much higher than this. For the most part the houses that are built in our part of the country are built from prototypes with relatively minimal changes that can be described by writing on a specification sheet.*

MR. WEINBERG: We spend a great deal of time and effort on design. The point is that the chief executives of our operation, of our business, are design-oriented. The man in charge of our housing operation is a graduate architect, even though we don't qualify him in part of these costs.

MR. DEGROVE: *Since you have been so clear and articulate on costs in the price range in which you build, I wonder if you have any familiarity with other phases of the business that you are in. Is there a ten to fifteen thousand dollar house marketed anymore at all, anywhere?*

MR. WEINBERG: Well I think you have to say that if you are going to build five lots to the acre, and if you are going to pay \$30,000 for land, that's going to mean that your lot cost is \$6,000 before you start.

MR. DOUGLAS: *You are out of it before you start?*

MR. WEINBERG: It comes to that. That is the regimen you are stuck with, yes.

MR. VANDERGRIFF: *I would like to ask a question about these houses you built in 1950 to sell for \$7,200. We had a lot of these built in our area, too. What happens to those houses now? We talk a lot about decay in the central city and that's the primary chore of our Commission, but what about any decay in suburban areas?*

MR. WEINBERG: I can tell you about the specific houses that we built. We keep a pretty good tab on our operations for a variety of reasons, and I ran a survey yesterday preparatory to coming here on two developments that we had in 1948 and 1949. Houses in one sold for \$7,200 and

in the other sold for \$7,900. The one that sold for \$7,200 is in the city of Downey, and present resales are on the basis of twenty to twenty-one thousand dollars. The one we sold for \$7,900 was in the San Fernando Valley, and the most recent sale in that development was \$23,000. There hasn't been a problem of decay in those homes. Actually, it has been the reverse.

MR. JOHNSON: *Is that because of improvements that the owners have made over the years? Is it because of upgrading?*

MR. WEINBERG: A combination of many factors. And I would say the improvements the owners have made would not be of that substance. Certainly land values. If acreage was worth \$3,000 an acre then and \$30,000 now, people are going to use this kind of a yardstick in measuring values.

MR. JOHNSON: *I asked you that because I think in the case of my town there are very few homes that have really remained in the same unimproved shape and outline as they were when they were originally bought back in the 1950. And this, along with the increasing cost of land and so forth in the area are increasing their value.*

MR. WEINBERG: Yes. Well, it would be hard for me to see how, in terms of value, they could pass on to a new buyer more than two or three thousand dollars at the very, very most in improvements.

MR. ZIEGLER:¹ May I make just one observation? It is on the question of your arithmetic here. The house costs the buyer, over the 30-year period of his loan, approximately \$75,000, and this does not include the moving cost, the furnishing cost, landscaping cost, or the maintenance cost. So we have something that is probably costing this fellow over 30 years \$100,000, and the cost of the building is \$10,800, or about 10 percent—

MR. WEINBERG: I don't agree with that supposition, for one basic reason. He is not paying \$50,000 in interest per se. He can pay this off—

MR. ZIEGLER: Now there are interests, taxes, and all of the other things.

MR. WEINBERG: Well, he doesn't need a loan to buy our home. We make this loan available to him. If he wants to pay that loan off, or if his uncle from Connecticut dies tomorrow and he comes into an inheritance and he wants to pay it off, he can pay it off tomorrow with no penalty. So this is a loan that is made available to him if he should feel that he needs it, and it is made available, frankly, at rates that are much lower than most businessmen can borrow it for, so I think it is very advantageous.

MR. ZIEGLER: I didn't hear.

MR. WEINBERG: For him this is the kind of loan he doesn't have to stick with for 30 years. It is an advantageous opportunity, really. . .

MR. ZIEGLER: Well, I realize that. This is just an observation.

MR. WEINBERG: . . . which we criticize and attack. The building is about 10 percent of the total cost if it is over a 30-year period.

MR. FEINBERG: *These costs that you are talking about are costs in*

¹ Earlier witness. See page 14.

any financing, I don't care whether you are doing it over a long period of time for a business or for a good home. That is a building cost that doesn't attach itself to a new home. I don't care if you own your property free, you still have costs of maintenance, and that isn't a cost that attaches itself to a new home when or if it is being financed. That is a standard that exists.

MRS. SMITH: *I think these are good figures to consider in our subject of trying to discover how anybody can provide decent housing for all of the people in this country. You just can't think about an awfully lot of these people having \$100,000 for 50 years on homes selling for \$15,000 or \$20,000.*

MR. WEINBERG: Pardon me. I have difficulty with that premise because if the homebuyer were to rent this home his rental costs for shelter would be in excess of this. What you are trying to say ignores the fact that he is getting a place to live in and that it's going to cost him \$200 a month over a period of years. Now, I think in view of what he is getting in rental value, and the other economic factors involved, it is hard for me to understand where you are really going to improve that kind of situation for him.

MRS. SMITH: *We have to. We are trying to find a way.*

MR. DEGROVE: *You could do it by multifamily.*

MR. WEINBERG: No, town houses.

MR. PELLISH: Sorry, our time is up and we will have to adjourn for our afternoon session. Thank you, Mr. Weinberg.

*Board of Education Building
Los Angeles, California
Afternoon, June 30, 1967*

MR. BAKER: We are indeed fortunate this afternoon to have as our speaker Mr. Bryan Deavers of the Building Trades Council, and I'd also like to introduce Mr. Elmer Botsai, American Institute of Architects, and Mr. Kenward S. Oliphant, Registered Civil Engineer of the State of California.

We would ask that Mr. Elmer Botsai¹ who, I understand, has to catch a plane immediately after his presentation, make his presentation first.

STATEMENT BY ELMER E. BOTSAI

MR. BOTSAI: Mr. Chairman, members of the Commission. I have

¹ Chairman, Building Code Committee, California Council, American Institute of Architects; member, Committee on Building Industry Coordination, American Institute of Architects; Architects' Advisory Panel to State Building Standards Commission; San Francisco Electrical Advisory Committee; San Francisco Chamber of Commerce Code Committee; past chairman, Northern California Chapter, AIA Code Committee.

furnished your staff with a written copy of my basic outline so as to make this very brief, to leave time if there are any questions.

Briefly, I want to point out that I wish to limit my discussion of building codes to the actual documents that municipalities or other governmental agencies use to control building at a local level. I do not refer to FHA documents, lender institution documents, or insurance company documents.

First I want to state that the building code per se has absolutely very little to do with the cost of construction of housing or any other construction in the western part of this country.

Secondly, if property costs are a major concern of yours I should like to support Mr. Weinberg's statement¹ and emphasize that you take a strong look at the cost of money. It is a commodity bought and sold on the open market. It fluctuates with the cost of land speculation, particularly in the western part of the United States, and the causes of this property speculation include property taxes, advance zoning,² and low taxation on unimproved property.

Thirdly, the cost of construction is related to the difference in wage rates between the construction industry and other trades. I don't wish to state that anyone is paid too much, but there is a wide discrepancy. In California the average construction wage is between five and six dollars, with some trades well over six dollars, whereas an auto mechanic makes \$4.50 an hour, a butcher \$3.84, and a fireman \$3.50. In my own profession, an architectural draftsman with five years of practice is likely to make \$4.50. Now, to the area with which I do have some familiarity; that is, building codes.

Building Codes in California

In California we have a high degree of uniformity, with one single exception. This is Title 24 of the State law. We also are very fortunate in having extremely honest governmental agencies at a local level. I know of no case of corruption in a building department. We also have a high level of competence and intelligence in our building officials. Better than 50 percent of the building officials in the State are professional people—either architects or engineers. I don't know any other area that can say this.

I don't know if this has been said, but I would like to say what is the reason for the code. I quote from Section 102 of the Uniform Building Code:

"The purpose of this Code is to provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within the city and certain equipment specifically regulated herein."

This building code should not be subverted into a carpenter's handbook, or twisted into a method to save a builder a few hundred dollars.

¹ See page 44ff.

² Zoning more land for higher use than market demands justify.

It should ideally be a performance document but, unfortunately, with our limited knowledge it quite often is a specification document. The basic code in California is basically the Uniform Building Code, which is revised every year and reedited and republished every three years. The CCAIA [California Council of American Institute of Architects] is a statewide association of professional architects active in the promulgation of the Uniform Building Codes. I am fortunate to be the chairman of the CCAIA Code Committee and their representative to the ICBO annual business meeting. We have initiated code changes on our own and we have been very successful, fortunately, in our acceptance. We review all proposed code changes within our area, and we make these findings available to them (the International Conference of Building Officials). You have a copy of our last year's recommendations.

Because the Uniform Building Code is the basic code in the State, we have a really high degree of *de facto* uniformity, as I say, with the exception of Title 24.

One area that is almost totally ignored in our housing is the mobile home. This is an expanding volume of housing. A large percentage of this housing is no longer mobile. However, because of State and some Federal exceptions mobile homes are not governed at all by our normal building codes. They, by standard code definition, are substandard in many ways. Now, either the building codes are over-restrictive or, they—the mobile homes—are substandard to human occupancy demands, at least in the current era. Since the building code at least is a result of action and reaction, I am inclined to believe that the mobile homes may be substandard. But what we do need in this State, and we need it desperately, is what Mr. Ziegler refers to as "rationally conceived criteria."

Drawbacks to Adopting New Building Techniques

We need help in the broadest aspect of codification, but not in proprietary areas. We do not have any trouble obtaining information from any manufacturer or industry that makes something no one else can sell. There's no problem there. But what we do need are codes that are considered as basic standards.

I'll give you a few examples of fire zones. These affect the rating of a city by the National Board of Fire Underwriters, and they affect every homeowner's fire insurance policy. Almost every city has fire zoning—Fire Zones 1, 2, and 3—but I defy anyone here to show me any relationship between a Fire Zone 1 in San Francisco and Fire Zone 1 in Milpitas.

We need information on exits—how fast people react to panic, distribution of exits. We just have rules of thumb. We need many improvements in the mechanical and electrical sections of the code. These items and many others are items that we desperately need. If some agency that has the resources could give them to the design professions, the governmental agencies in California, and the building officials, we would amaze you with progress, with updating, with utilization of all

the technological resources of this country, and we would achieve an even higher degree of uniformity than we already have.

I should like to state one thing here: In my opinion it is not possible for the insurance industry to do this. They have a vested interest in protection of property and uniformity. Though they have changed tremendously in their Underwriters Laboratories procedures, still you find most of their tests are based on property damage, which is their primary concern.

A second basic drawback which I feel does restrict and inhibit the use of new techniques, at least by the professional people, is the lack of responsibility in not all but in some of the claims by manufacturers and industries for new materials and techniques. With the current court trends, if an architect or an engineer makes a mistake, the Lord help him, because he'll be sued at the drop of a hat. Therefore, any of us with such knowledge of this court action will stick to the tried and true method. We can't afford to experiment.

Something this Commission might well afford to look at is what I will call the "legal testing standards" for lack of a better term. Under such standards, if a new material is tested and approved by a nonpartisan group we can rest assured that we don't have to worry about being sued if we use it.

One offer I would like to make. To my knowledge the CCAIA is the only professional design organization that has a paid code staff man. He works with the Code Committee. I would like to offer his services, as well as the Committee's services, in any way we may be of assistance to you. We think in California we are head and shoulders above the rest of the country and the world in codification, as far as the profession goes.

In conclusion, I would like to summarize in five points:

1. I do not believe codes appreciably affect construction costs.
2. California does have excellent code-writing machinery with the highest standard of enforcement and integrity.
3. California does not need nor want a Federal or national code.
4. We do need, desperately, rationally conceived criteria.
5. And we do need legal testing procedures.

MR. BAKER: Thank you, Mr. Botsai. If you have time to stay, I believe you would have some interesting questions.

Our next speaker is Mr. Bryan Deavers, and I will ask Mr. Ehrenkrantz to introduce him.

MR. EHRENKRANTZ: I appreciate the privilege of introducing Mr. Deavers. We first met in 1962 when trying to develop a program for innovations in school construction. At the beginning of the program we worked as groups representing every interest within the building industry—the professions, the general contractors, subcontractors, manufacturers, and labor.

At the time we met we didn't know how or where we would find our best cooperation. But under the leadership of Mr. Deavers we found that we in fact had more cooperation from labor than any other group within the industry in terms of the changes we were wanting to make,

working towards innovation. I think the impact of this to some people may sound rather surprising or unique.

I would now like to introduce Mr. Deavers.

STATEMENT BY BRYAN P. DEAVERS

MR. DEAVERS: Chairman Douglas and members of the National Commission on Urban Problems. And thank you, Mr. Ehrenkrantz.

Labor has been accused on many occasions of standing in the way of progress toward changes in the construction industry. We feel that there is considerable fiction connected with any such statement. It has been said also that we in California sanction all-prefab schools. That is someone's brainstorm. That is definitely not true.

Labor's Contribution to New Construction Methods

We hope also that none of you assembled here believes the first-mentioned. We are interested in safety, we are interested in fire protection and in the general welfare of our people. However, we are also interested in advances in construction methods. Labor may have taken economic action somewhere along the line to protect its rights, but we are primarily interested in being an integral part of the public. No one ever says that we should be relieved of taxation because we are labor; so why doesn't the rest of the public recognize us as part of the citizenry that wishes to do its part in our cities, our counties, our states and the Nation?

Building trades unions have been very fortunate throughout the years in employing men with good powers of perception. Many of the representatives of our crafts and our councils have served in various supervisory capacities before ever starting work as business agents. The latter is a well-known fact. Many contractors came from our ranks. Then why should it be so hard for the average big buyers to consult with the unions before a contract is let?

In California we have been successful in persuading our State officials to take advantage of our knowledge of construction and its problems. What is known as Joint Capital Outlay Committees are set up with the various State departments. We are permitted to take a look at proposed construction projects before contracts are let. Any matters that might present problems are discussed. This has proved very healthy. We have no work stoppages on State projects.

Here is another prime example of our desire to help improve construction methods:

Some months ago our office was called upon by Mr. Ezra Ehrenkrantz to examine a study being financed by the Ford Foundation on a project called School Construction Systems Development. This was for Stanford University. I believe that the history of our work together on the SCSD project is proof enough to demonstrate that we wish to be worthwhile citizens interested in the schools of our Nation. We did everything possible to make a success of the study, which was made to

meet the requirements for effective education, and the procedures by which the project might be organized to try and meet these requirements.

A committee including a representative of each trade that would be affected was organized, and we worked together for two years before the first building went into construction. At an evaluation review prior to taking bids, we reviewed with School Construction Systems Development the approaches that different manufacturers were taking to meet the specifications. Members of the committee met individually with prospective bidders to iron out significant problems while building products were still being designed. Then the total committee met again to review the design solution of the low-bid manufacturers, to make sure that there were no conflicts that could not be resolved. After contracts were signed with the successful bidders, the individual bidders and individual members of the committee continued to work with the manufacturers to resolve what problems might remain. New developments were incorporated in the program which considerably affected the electrical, sheet metal, and iron workers trades. All of these problems were solved, and work proceeded on the jobs in an efficient manner as the schools went under construction. Considerable innovation has resulted. Work stoppages have been nil.

We call this "Project Understanding."

We are now engaged in a new program for the University of California. This project is known as University Residential Building System. Once again our committee is privileged to work with Mr. Ezra Ehrenkrantz. We have the utmost confidence in him. We hope to be as successful with this project as we were with SCSD.

But again I wish to say: We insist on our rights to be considered a worthwhile part of the public.

Thank you.

MR. BAKER: Thank you, Mr. Deavers.

Our next witness, Mr. Kenward S. Oliphant,¹ is a registered civil engineer who has considerable background in engineering and has served on many advisory bodies. Mr. Oliphant.

STATEMENT BY KENWARD S. OLIPHANT

MR. OLIPHANT: Honorable Chairman Douglas and Mr. Chairman, Mrs. Smith, and members of the Commission, I welcome this opportunity and thank you very much for it.

For the record, my registration in the State of California is not in civil engineering but in electrical engineering and mechanical engineering. In California we are unique. We do not have a unified registration for civil engineering. We do in mechanical, chemical, electrical engineering, each in its own specific branch of activity, and one branch of engineering really does not allow or provide a means for you to practice engineering in other fields. The areas I am interested in do deal with man's environment. We are talking about environment of his sight,

¹ Director, Consulting Engineers Association of California; long service in many engineering functions within the State of California.

his ability to hear, his ability to feel comfortable in space. This of course occurs in the home most of the time for all of us—our sleeping hours, the time that we are awake, and the time of leisure and rest and relaxation, the times we are trying to get away from the difficulties of office or business encounters, of labors, of activities. We look to the home for these particular comforts. Home is our castle, our domain.

We are very concerned about costs, as all of the others are, and at this time I can endorse all that I have heard.

I had the opportunity of hearing Mr. Weinberg during the lunch session and I certainly concur with the analysis of construction cost, particularly for residential activity in this area of economic level. I think that nowadays, at least in urban development work, when you try to provide housing at an asking price in the order of \$15,000, you really have a difficult chore because of the land values. Unless we can do something about the land values we are going to find it very difficult to overcome the high cost of new housing.

Usually, in residential work, you think of two areas of activity: One is plumbing cost, and the other is the cost of the electrical wiring and distribution.

Another point: we have an amenity that attracts attention such as underground utilities. Home buyers who have a little more wherewithal, financial capability, I am sure are willing to spend a reasonable additional amount for underground utilities, to eliminate the poles and antennas and overhead wires that at present dominate the neighborhood scene.

Research Continuity a Necessity

There are certain areas that I would like to stress at this time that I consider significant for this body.

I feel that the important usage of certain existing commissions and departments of the Government should be fully developed. I am somewhat mindful of the recent curtailment in scope of such organizations as the National Bureau of Standards. I think that even though they have recently moved into new quarters in Gaithersburg, Maryland, there is no justification for limiting investigation in certain areas related to dwelling construction. These areas deal with plumbing activities, with heating, ventilating, and air conditioning, and they deal with isolation and the control of noise.

Historically, the Bureau of Standards has created a great deal of knowledge for the industry, has provided a standard and means of evaluation of certain elements which we feel very strongly about and use constantly. I am thinking of a plumbing standard known as BMS 44 which, for the first time, corrects some previously unreasonable attitudes in code-making on plumbing devices. The standard showed what piping sizes were required—that you had to realize certain diameters of pipe in order to achieve certain flows, and at certain pressures. For the first time it gave us a chance to work on diversity factors with a combination of plumbing fixtures. It aided us a great deal in how to size pipe for venting and also for carrying wastes away. These particular research

activities, I think, should be continued and brought up to date. They should be brought up to date for materials which are now coming into being—plastic pipe, noncorrosive materials, and other elements which have been coming into the market place and haven't been given proper evaluation because Bureau of Standards activity has been curtailed over the last five years.

I feel that other agencies such as the American Society for Testing Material and USASI (United States of America Standards Institute) should be given greater assignments in providing standards and testing procedures so that local municipalities and local organizations can have a reasonable test procedure and reasonable arrangements for comparing and evaluating particular products and materials to be approved or made acceptable to their code.

I could go on and perhaps repeat a lot of things which you have already heard. Just so I do cover my area of interest, I'd like to invite any questions you might have at whatever time the chairman feels convenient.

Thank you very much, gentlemen.

MR. BAKER: Thank you, Mr. Oliphant. We will ask for questions at this time and limit our questioning to 10 minutes each. Mr. Lyons, would you care to begin?

QUESTIONS BY COMMISSION MEMBERS

MR. LYONS: *One question that occurs to me, Mr. Oliphant, is with respect to your suggestions relating to the use of the National Bureau of Standards and other existing federally financed research standards.*

MR. OLIPHANT: No, sir, the American Society for Testing and Materials is an independent organization whose membership is comprised of industry members and general interest members. It's a totally independent nonprofit organization. It does represent industry, it represents private practicing individuals such as myself, but it is not governmentally controlled.

MR. LYONS: *Well, there was quite a bit of discussion this morning with respect to the need for additional research in building code needs and the part that the Federal Government could play in this area. Do you think the Bureau of Standards, with their techniques, would be an appropriate agency for Government to expand?*

MR. OLIPHANT: I would say not necessarily to expand—just to continue. To be more specific, the National Bureau of Standards, as you know, for a long time had the only sound-testing facility available. Some years ago a private independent laboratory in Riverbank, Illinois, the Armour Research Institute Foundation, was established and thus another facility became available. But as you know, when it was moved from Washington, D.C. to Gaithersburg, the National Bureau of Standards was given nothing in the budget—nor is there anything planned—for sound-testing activities or facilities. I think this is a disaster, inasmuch as we are just now in the throes of understanding the phenomenon of sound and sound-control, and the sound-isolation requirements from

one occupancy to another, particularly in residences. The FHA is certainly mindful of the need for this information. They have, on special contract, utilized the facilities of the National Bureau of Standards to assist them in developing criteria, and I feel that a great deal more of this should be accomplished. I also feel that a great deal more should be done in research and development activities, which apparently have now ceased in regard to sound. These should be reestablished—not expanded—just reestablished, so the Bureau of Standards can perform the function it was originally designed to do.

MR. LYONS: *Well, it would appear that we will have to give more consideration to what would be the proper agency of Government or the proper means for Government to assist in research in the building industry—not necessarily in the area where the profits and materials are, but in the area of nonprofit or in the area of needs.*

MR. OLIPHANT: It's very true, because the area of profit pretty well takes care of itself. The nonprofit research needed in agencies like the National Bureau of Standards and others under the Department of Commerce can't assist us in this program. I just want to be sure to have you understand that my point was not that they needed to be expanded, but just brought up to par—where they used to be as far as all other agencies of the Government are concerned, so they can perform the function they were originally constituted to perform.

Mobile Homes Standards

MR. LYONS: *The question was raised by Mr. Botsai on mobile homes—that mobile homes are really not movable. Do they in fact become substandard housing? Are there adequate codes, in your judgement, with respect to what people can do with these mobile homes? Can they take them almost anywhere or are they restricted to certain types of locations?*

MR. OLIPHANT: As I say, they are vehicles licensed by the State Department of Motor Vehicles and except for restricting the passageways, as in the case of all vehicles, they can be transported over the State highway system within the established criteria. But to a large extent now, once bought, a mobile home is delivered to a mobile home park, the wheels are removed and it's put on a foundation of one sort or another. Electrical service or city services are hooked up and it stays there maybe as long as five or six years before it's ever moved again. In my opinion this is not a mobile home, but it is exempt from normal building regulations. In fact, a study was done which indicated there is nothing to prevent someone from building a honeycomb high-rise structure of some material and buying these mobile homes and lifting them by crane and shoving them into this structure, and it would be absolutely legal.

MR. LYONS: *That would be interesting. What about this? Is there nothing that says you cannot buy a piece of property and put a mobile home on it—or are you restricted to where you can put these mobile homes?*

MR. OLIPHANT: The only restriction is zoning.

MR. LYONS: *Zoning?*

MR. OLIPHANT: But no building code regulations.

MR. LYONS: *Well, I have nothing further, other than to comment on what Mr. Bryan Deavers said with respect to the cooperation that has been given out here by the trades. This reflects my own comment that generally, when you make the effort to look into the problems, you do definitely find that the building trades all over the country will cooperate, and that the resistance to change that they supposedly have does not exist.*

MR. BAKER: In February, 1964, Mr. Feinberg was an advisor on a mobile home committee, advising the representatives of cities, county supervisors, and citizens at large on the use of mobile homes in the State of California. Mr. Feinberg?

Underground Utilities

MR. FEINBERG: *Mr. Oliphant, may I ask you a question or two about costs as related to underground residential distribution. You did call utilities that?*

MR. OLIPHANT: That is correct.

MR. FEINBERG: *Can you tell me what is the practice now in the State of California? Does it vary or is it the same both north and south, insofar as the assumption of that cost is concerned. Bear in mind now, the reason I ask is that obviously, if the developer has to pay for it, it is reflected in an increase in purchase price. On the other hand, if the assumption is made that the responsibility is assumed by the utilities as it normally is with overhead wiring that cost item would be eliminated. Now, can you tell me what takes place in California?*

MR. OLIPHANT: I certainly can.

MR. FEINBERG: *Very good.*

MR. OLIPHANT: There are two basic criteria which the utility companies establish; so we can state categorically that it depends on which utility area you are in as to which of these you formally work with.

Now, generally speaking, in Southern California you are under the influence of a public utility agency as opposed to a private utility agency. In comparison with a private utility organization there is a different format and this format now is pretty much on the basis——

MR. FEINBERG: *Pardon me for interrupting you. You mean there is a municipal authority?*

MR. OLIPHANT: There is a municipal authority.

MR. DOUGLAS: *That was run for a good many years by a man who came from Philadelphia. Excuse me.*

MR. FEINBERG: *It's all right, Senator, I welcome it any time.*

MR. OLIPHANT: Anyway, in this particular area, where this type of situation exists with the public utility present, the burden borne by the developer, which in turn is passed on to the owner, is greatly reduced. The ratio of what would have been normally given to him on an overhead drop basis for overhead wiring is about 1-to-1 ratio in the Southern California area; from 1-to-1 to 1-to-1.5. There is very little difference between the two if you get into the right utility area.

Now in Northern California, we do not enjoy this competitive posture; and so we have a little different policy. There it initially worked out that the cost for a conventional 65-foot frontage lot was around \$1,100 per lot to the developer.

MR. FEINBERG: *For underground wiring?*

MR. OLIPHANT: For underground wiring. This goes back about seven years. This has now been reduced to the point where it's about \$225 for the same lot, primarily because of independent pressures by developers and builders on the utility company that enjoys the franchise to service that area.

MR. FEINBERG: *It seems strange, rather ironical, for this reason: I recall reading something recently about the city of Salem, Oregon. Have you heard of that?*

MR. OLIPHANT: Yes, I have.

MR. FEINBERG: *They have adopted a policy—or at least one of their executives is advocating—that a “utility association conference” should assume all of the cost. In the long run, in the overall picture, because of the maintenance factor, it is claimed that it would be cheaper for the utilities to lay lines underground than to use the old overhead wiring.*

MR. OLIPHANT: I underwrite that particular statement 100 percent.

MR. FEINBERG: *Do you have any cities or areas in California, which by planning or legislative enactment, now impose the condition that the wiring should be placed underground?*

MR. OLIPHANT: There are several in the State of California. Counties and municipalities.

MR. FEINBERG: *I don't want to belabor this point. But I'd like to know what happens in those areas where the law requires it. Is the underground installation not imposed upon the corporation or the utility that has the franchise? Don't the utilities have to accept the responsibility for complying with the law?*

MR. OLIPHANT: They do, but they merely charge it back to the developer.

MR. FEINBERG: *I see.*

MR. OLIPHANT: They do comply with the law. They don't infringe on that.

MR. FEINBERG: *Do I understand what you mean—if they didn't charge for the overhead wiring they didn't charge the developer for the underground wiring?*

MR. OLIPHANT: They did not.

MR. FEINBERG: *Thank you very much.*

Mr. Botsai, I believe you said that you were in accord with the remarks made by Mr. Weinberg¹ during the luncheon period?

MR. BOTSAI: Generally speaking, that is correct.

Effect of Codes on Building Costs

MR. FEINBERG: *And I believe you stated—and if I am wrong you tell me—that you didn't believe that the codes had anything to do really*

¹See page 44ff.

with the costs insofar as the construction is concerned. Is that correct?

MR. BOTSAL: That is correct.

MR. FEINBERG: *You still adhere to that position?*

MR. BOTSAL: That's right.

MR. FEINBERG: *Well, now, I asked Mr. Weinberg very specifically, I said to him—almost parallel to what you are saying—"It seems to me from what has been developed, and the opinions that have been expressed by experts, that the increased cost involved, by virtue of the codes being different in some areas as against other areas, cannot really increase the cost of the house so much? That is, the savings would not put the kind of house we were talking about back in the other price category where we could consider it as low-cost housing for the low-income groups." He agreed with me. Now I want to know what credence you give to his statement.*

It has been said that the effect of the building codes is to reduce to a minimum the number of persons whose housing can be taken care of by private industry, and to reduce to a minimum the ability of the Government through various programs to take care of people whom, obviously, they can't take care of now. Do you agree to that?

MR. OLIPHANT: Well, I'll hedge. This probably is so. But I also asked Mr. Weinberg this question, and he said that in his definition of codes he included such requirements as FHA requirements, bank requirements, insurance requirements, and many other agency requirements.

MR. FEINBERG: *He has to to get financed.*

MR. OLIPHANT: In my opening statement I specifically excluded those. To my mind those are not codes. This may be mincing words.

MR. FEINBERG: *But they are conditions imposed on the basis of the—*

MR. OLIPHANT: I do not consider those enforcement aspects of governmental agencies.

MR. FEINBERG: *Let's eliminate that aspect. Let's just talk about building codes as such. Do you give any credence to the statement made? I didn't mean to disapprove of what he was saying as a matter of integrity, but just as a matter of judgment.*

MR. OLIPHANT: I have to disagree, and again it's a matter of degree. But the best thing I can say, in my opinion the effect of codes on the cost of construction could be compared with the flea on the end of a large dog's tail.

MR. FEINBERG: *The reason I persist in asking you this question is that if we are honestly convinced after all our interrogation that codes themselves are not responsible for a higher cost factor—and since we are trying to find a solution to low-cost housing for low-income groups—this is why I am most particularly interested in whether it is one of the elements, one of the factors?*

MR. OLIPHANT: I do not think so. I came in late this morning, and I heard a gentleman speaking who represented the Southern California Home Builders Association. He quoted several figures that codes affected the cost in different adjacent areas. He was talking about \$27, and in one case he got up to a hundred and some dollars.

Well, this compares with \$6,000 of land cost and \$30 a month in

increased interest rates at 6 points to borrow the money. I find codes not really worth the effort of the people around this table in dollar return.

MR. FEINBERG: *Thank you very much.*

MR. VANDERGRIFF: *Mr. Deavers. I'm tremendously interested in your relating your experience with Mr. Ehrenkrantz. I really would like to learn more about the specific mechanics of all this, and perhaps Ezra can do this without intruding on everybody's time here today. It seems to be the most enlightened and commendable approach yet.*

Labor Costs and Construction

I'd like to ask a question pertaining to labor costs. I'm almost hesitant to do so. It's simply based on conversation heard elsewhere that we are going to have to find cheaper ways to do everything, including finding money and all these other matters we have been talking about, if we are going to deliver housing to the lower-income segments. We've heard a lot of talk in the past, not simply here, but elsewhere, about apprentice programs—methods to try to find ways of utilizing people in the lower-income groups to maybe cut down labor costs. In your Council have you given this matter a great deal of thought and study?

MR. DEAVERS: Yes, sir.

MR. VANDERGRIFF: *What are your conclusions?*

MR. DEAVERS: You will be surprised at what I'm going to tell you—that we find we get the biggest part of our information from employers themselves.

They tell us it's a very expensive way of construction. We know that we must be training new people, but the employer is the one who tells us that that is the expensive method of construction.

There are many ways that you can cut down the cost of construction. A moment ago we were talking about the mobile house, and we have run into some problems along this line where they thought they were going to cut costs. For instance, up at the dam at Oroville they were going to have a group of houses—around 250. The first increment was 50, and the man bid on job-site construction. Now I think that—I want you to listen to this because this is a fact—after he bid he found that he could buy some dwellings that were being built in Southern California and transport them to Oroville instead of building 250. But it took so long to get the 50 up there that they just didn't build any more and the State spent a lot of money for foundations that were never used.

This is something that is going to take a lot of work. We are going to have to go into use of apprentices in building, but this isn't the cheap way of construction. The cheapest method of construction uses a man who knows his work and knows it well. That's the cheapest method of construction you will ever get.

I'm not going to tell you there aren't innovations that can be used, because we are studying that route now, and we think that we are going to possibly arrive at a better method of construction. We are in this, and we know there are groups of people that need better houses than

they now have, and that they should be built for less money. We are interested in this, but doing it with a group of nothing but apprentices would lead to the most expensive construction you could have.

MR. VANDERGRIFF: *You've answered very well.*

Building Codes and New Materials

MR. DOUGLAS: *One series of questions, really around the central theme, that I would like to lay, relates to previous evidence that building codes have restricted the introduction of new materials or processes which would be safe and sound and sanitary and cheaper in cost. I'd like to ask a series of specific things.*

What about plastic plumbing and plastic plumbing fixtures? Do local building codes inhibit their use?

MR. OLIPHANT: Local building codes throughout California take a variety of positions on plastic pipe. Plastic plumbing fixtures themselves have been under consideration and evaluation by public officials pondering plumbing codes. But I don't believe, to my knowledge, that any have been accepted. There are several fundamental concepts explaining why other sections of the building code activities restrict the use of plastic—because of its combustibility, its flame spread, its smoke characteristics, its toxicity. These are sections that have to be fully evaluated, I feel, before the plumbing industry, the plumbing code officials, the building officials themselves, get endorsement of plastic plumbing devices in exposed and in enclosed spaces.

MR. DOUGLAS: *This is true of plastic pipes?*

MR. OLIPHANT: Not necessarily true of plastic pipes, because in general plastic pipes are concealed by or behind some fireproof membrane or wall. They are usually concealed behind a wall of gypsum board or plaster board.

MR. DOUGLAS: *Do you think that they are safe?*

MR. OLIPHANT: There is some indication in many instances they are equally as safe. For instance, if you had a clogged drain caused by the use of grease in the kitchen or some hair or other organic material tended clog it up, you have several readily available products for cleaning it out. Sani-Flush is one particular product that is on the market and is readily available from any drugstore. These products are highly suitable for cast iron pipe. But some of them aren't suitable for copper yet. These particular remedies have a variety of actions on plastic pipe; and so we have to be careful what is marketed and what is used.

MR. DOUGLAS: *Some of the local codes do, however, prevent the use of plastic material for pipes?*

MR. OLIPHANT: Some of them do. That is correct. Some of them do allow it; some of them reject it.

MR. DOUGLAS: *Now, may I ask about fabricated wallboard as a substitute for plaster?*

MR. OLIPHANT: I could get into that, but I think I better let Mr. Botsai talk about that.

MR. BOTSAI: Yes, sir?

MR. DOUGLAS: *What about the possibility of fabricated wallboards being used as a substitute for plaster? Do you consider it safe and sound and to what degree, if any, is it inhibited or restricted by local codes?*

MR. BOTSAL: I regard it as safe, and to my knowledge there are no widespread inhibitions. In fact, I can think offhand of no area in California that does prohibit the use of wallboard.

MR. DOUGLAS: *I would like to ask the staff if they can make a survey of the country as a whole in building codes in a number of cities on this. Does that go for fabricated ceiling boards too?*

MR. BOTSAL: There you have opened up a broad area. I would like to break it down into different categories. If you are talking about gypsum board, again I know of no prohibition. Again, we have certain other Class A ceiling boards that are acceptable everywhere, and we have combustible boards; then we have some of the plastics, which are even more restricted today, depending upon the fire zones and the class of building they are used in.

MR. DOUGLAS: *It is possible to get ceiling boards which will have very low fire hazard, and be satisfactory in other respects, and be relatively low cost?*

MR. BOTSAL: Yes. Common gypsum board can be purchased for five cents a foot, and you can get a one-hour combustible rating with it, which is very high and meets high standards.

MR. DOUGLAS: *Would it be possible, by some device to make this noise-absorbent so that we might solve some of the noise problem in apartment houses?*

MR. OLIPHANT: Some board has such properties available as a membrane.

MR. BOTSAL: Mr. Oliphant, would you care to join me on that one?

MR. OLIPHANT: Gypsum board has proved its value as an excellent membrane in building construction. It is used as facing material for the structural stud walls, when properly installed and applied by means of staggered studs or resilient clips or other devices, its developed sound transmission has low characteristics which are unequaled in the industry. I mean there's nothing to limit it.

MR. DOUGLAS: *You say as far as local codes in California are concerned, the use of gypsum board is permitted?*

MR. OLIPHANT: Permitted in every regard for one hour, even as high as a four-hour classification.

MR. DOUGLAS: *I'm going to ask the staff to survey a number of the codes in municipalities of the country to see whether this is permitted.*

What about fabricated non-wood floors?

MR. OLIPHANT: Could you be more specific, sir? Do you mean vinyl, linoleum, or carpet?

MR. DOUGLAS: *Well, there is a whole variety—I mean slight thickness which could be put on top of concrete which would be resistant to cold.*

MR. JOHNSON: *Sir, that isn't at the present time structurally within the province of building codes. I think that under most codes the only requirement for surface on the floor is where there are sanitary condi-*

tions involved, such as in a kitchen. You can use plastic or vinyl almost any place in the country without any restriction. The wooden floor, in most cases, is a concession to cost. The other use of concrete applies to the whole framing system.

MR. DOUGLAS: Well, now, that leads into the use of concrete. I've been much interested in the development of foam concrete which is light and, I am told, relatively strong. Is that permitted in California for walls or for flooring?

MR. BOTSAL: Well, lightweight concrete runs everywhere from 25 pounds a cubic foot density up to 100 pounds cubic foot density and I know of no limitations on it within the normal scope. Now, there may be some plastic material but a cementitious material is considered a Class A building material and receives every consideration. I know of no limitations on it in the State.

MR. DOUGLAS: I am going to ask the staff to check on that and see if FHA permits it. I am informed that FHA until recently did not permit it.

Let me ask you this: On prefabricated and precut doors and windows, to what degree does the code prohibit precut doors and windows?

MR. OLIPHANT: None. They are extensively used in this State.

MR. DOUGLAS: If they are not used, it's not because of code restrictions? Then for what reason are precut doors not used?

MRS. SMITH: Maybe the Supreme Court decision¹—

MR. BOTSAL: I do not know any major builder who doesn't use them.

MR. LYONS: You know on that, Senator, you get so much hysteria developing.

MR. DOUGLAS: I'm not trying to do that.

MR. LYONS: We heard one witness earlier who was trying to.

MR. DOUGLAS: I am not trying to get hysterical on this subject and I don't think I have ever been accused of being hostile to labor, but I have to probe these matters.

MR. LYONS: You see so many statements made that, because of that Supreme Court decision, this is the end of precut doors, and it really is not. It's misunderstood very substantially.

MR. DOUGLAS: No, I wasn't going into the decision so much as the practice. You say then that prefabricated doors and windows can be freely used in California?

MR. BOTSAL: Yes, sir; and are.

MR. DOUGLAS: You developed stucco here in California more than any other part of the country. Would you regard that as a satisfactory building material in regions which have more than 20 inches of rain a year?

MR. BOTSAL: If it is cement plaster, yes, I would.

MR. DOUGLAS: Well, in Illinois we have more than 33 inches of rain a year and that's the volume of rain in England, where it is more evenly distributed over the year. Would you regard stucco as an adequate material when you have 33 inches of rain?

¹ National Woodwork Manufacturers Association *et al.* v. National Labor Relations Board, U.S. Supreme Court decision 386 US12, April 17, 1967.

MR. BOTSAL: Yes, sir. In parts of Northern California we have over 100 inches of rain.

MR. DOUGLAS: *And you have stucco?*

MR. BOTSAL: Yes.

MRS. SMITH: *But, it is not cheap.*

MR. BOTSAL: No, it's not cheap.

MR. DOUGLAS: *What about earthen walls, packed tight, adobe?*

MR. BOTSAL: I would know of no code limitations on these. We have used adobe block. The adobe would have to meet our seismic requirements, which would be difficult since it is a very low-strength material, but that would be the only limitation I know about.

MR. DOUGLAS: *What about electrical wiring? To what degree should it be encased in metallic or plastic tubes?*

MR. BOTSAL: I think Mr. Oliphant could give you one estimate.

MR. OLIPHANT: I could give you one and that's this. I think it depends a great deal upon local conditions. Nonmetallic sheath cable does have some problem with moisture. It can deteriorate very rapidly. It does have the other limitation that it's totally inflexible for future changes. However, its use is widespread throughout this State.

MR. DOUGLAS: *What are the general code requirements controlling the sheathing of electrical wire?*

MR. OLIPHANT: For residential Type 5 building construction throughout the State of California we find that the old conventional knob and tube are acceptable. Thin-wall, which is EMT—electrical metal tubing—and rigid conduit, is rarely used in residential building construction in exposed areas. I would say electrical metal tubing and flexible conduit are predominantly used in the exposed or unprotected areas behind any type of wall surface as a plywood wall or gypsum, so there is some mechanical protection there.

MR. DOUGLAS: *Have you any of these code requirements which you consider as being excessive?*

MR. OLIPHANT: There are some limitations on some of the particular materials which are nonmetallic; they do create additional hazards of grounding. One must actually run a separate ground conductor to insure that you do have ground continuity.

Due to the difficulty of observing the workmanship, the inspection requirement for this grounding becomes a harder task in a nonmetallic system of protection than it does in a metallic system.

If you have a metallic raceway and it's fairly easy to see that the connections are there, it becomes an easy chore to inspect and certify, "Yes, that system is okay." On a nonmetallic system some of these connections are so difficult to see you can't really say that you have ground continuity. And to be absolutely sure, you would almost have to run a ground test on the structure, which of course runs the cost up.

MR. DOUGLAS: *I'm not quite sure you replied to my question. Do you regard these requirements as being excessive?*

MR. OLIPHANT: I would say—

MR. DOUGLAS: *Code requirements?*

MR. OLIPHANT: In certain areas where, because of the apprenticeship

programs, and other things, it has been demonstrated that the workers do not have the capability of good workmanship, in these areas I do not think the particular code requirements for rigid-material raceway systems are excessive. In other areas, where they do have a tried and true group of construction people, I think the materials which require greater workmanship capability would be acceptable and would represent a lower cost. The metallic raceway systems do cost more than the nonmetallic raceway systems.

MR. DOUGLAS: *Well, what about Los Angeles? How does Los Angeles stack up? Do you have skilled people here in your working force?*

MR. OLIPHANT: I would say according to my knowledge of Los Angeles that there are a considerable number of well-skilled and competent individuals to perform this type of wiring.

MR. DOUGLAS: *What about the San Francisco-Bay Region?*

MR. OLIPHANT: The San Francisco-Bay Region, I would say, yes. If you got into some of the county areas, I would not be so sure.

MR. DOUGLAS: *What about the interior valleys?*

MR. OLIPHANT: Same thing, because that would fall into the same areas lying outside—in other words, they haven't enjoyed the benefits of a full apprenticeship program, a training that is usually found in a metropolitan area.

MR. DOUGLAS: *Thank you very much.*

MR. EHRENKRANTZ: *Mr. Botsai, please. You discussed some of the aspects of defining performance for innovations, and some of the relationships to the architectural profession, in terms of responsibility, also related to performance. Could you comment in greater detail, or think of any examples, wherein specifications towards performance have helped to bring forth innovations and wherein the proper testing of new products as they were being developed shortened the time between development and utilization of these products? I mean, can you compare such examples to the way in which innovations generally filter into the building industry and into common use?*

MR. BOTSAI: Generally we are inundated by mail brochures, by cut sheets, by salesmen coming around giving us the panacea to all our ills. They have this new magic material that paints on, spreads on, nails on, and it's solving everything, and once in a while we try one of them.

Not too long ago we tried a new underslab membrane system that was man's answer to all our problems. The only thing was they forgot to tell us not to let the sunlight hit it when we put it down. We had a rather embarrassing situation with the owner of the project. Fortunately, he was very broadminded on the subject, but this sort of thing is, in my opinion, tantamount to lying. It's misleading and it leaves a sour taste in the professional mouth and he is very leery of listening to the next man, who may be totally honest. And because of the recent court decisions he is leery.

I have been involved in a case in San Francisco where a designer used aluminum-frame sliding glass doors, I presume on somebody's good faith. He was sued for a quarter of a million dollars. And the court upheld the judgment. The sliding door didn't keep the water out. There is no way

in the world it could have. Now, how much of this is negligence on the architect's part, and how much of it is in good faith, I do not know. But as a design profession we have neither the time nor the means to independently evaluate a new product.

These products come on the market faster than you can keep tab of them, let alone check them out; so you are at their mercy when you get a new product and this manufacturer's representative comes in and he says it will do this and it will do that. We ask him to put it in writing. "Will you warrant this to the owner?" "No, we can't do that, because we don't install it." "Well, will you work cooperatively with the installer?" "Well, no, because we have no control over him." And the installer says, "I am not going to warrant that material. I have never used it before." And so pretty soon it gets crossed out as a specification and once again a roadblock has been thrown up to progress. We need some help in this area.

Uniformity of Testing

MR. EHRENKRANTZ: *Thank you. We have worked on some testing in the past, and one of the questions I would like to ask about is the development and control of testing procedures around the country for uniformity. I understand through our own experiences that there are even certified agencies that do not provide the same results. Without control of conditions, again the development of information—basic data—is rather hard to glean even when a product has gone through testing agencies. Could you comment on this?*

MR. OLIPHANT: Yes. This relates to all forms of building material and assemblies. And I would say that it's the constant challenge of the ASTM, which is probably the principal agency in the United States for standardizing testing procedures so that they achieve reproducibility and repeatability in test results—not just at one laboratory facility but at multiple laboratory facilities. So that this becomes the goal we should ultimately get to the point where we have some uniformity. Now in the past, in many instances there was no real certification of laboratories per se; they are almost self-certified. They are certified by a self posture they hold in the building industry. I think it would be good if certain controls were established to prove the merits of the testing organization. I feel in many instances many testing agencies do perform tests in conformity with certain standards, but they are not present at any of the standards hearings, and they are testing on the standard which already has been voided by the updated USASI or ASTM standards and have become obsolete. Many of these agencies have not kept themselves apprised of new developments in standards.

I think that these testing agencies have to be active and participate strongly in the development of new testing procedures so that their knowledge and knowhow can be blended with the national requirement.

MR. EHRENKRANTZ: *Another question related to this: I believe, to get away from the building code for a moment, that other regulations—whether they are FHA or whatever—do affect environment. Statements*

come out as to the performance of products for acoustic separation. Other products are described in terms related to laboratory tests but unrelated to field tests. As a result of this there is a discrepancy, I believe. I'd like to comment on this in terms of criteria that we set forth for the types of things that you talked about earlier, with respect to providing a good environment for people. In the accumulation of different portions of a building, each part meets specific tests, but when they all are put together into a total building, they do not perform or they contribute to a poorer environment than we have a right to expect.

MR. OLIPHANT: There is, historically, in the area of acoustics, for instance, quite a disparity among the laboratory results because they are, first of all, directed and conducted under extremely well-controlled conditions by very knowledgeable laboratory technicians who usually work with the company for whom the test is being run. They take great pains and spend a great deal of time and effort in constructing a specimen and they use a technique which compensates for the characteristics of poor workmanship. This is a resilient, nonskinning caulking material. The caulking material is used all around the perimeter of the test specimen. And it does several things. Of course it eliminates the potential air leaks that usually exist in the specimen and affords the particular individual or firm or corporation having the test run assurance of getting a reasonably high number. When you take that same partition and put it in the field, and eliminate the caulking, and eliminate some of the other needful and appropriate techniques, and some of the other desirable techniques, such as proper treatment of the outlet boxes, piping penetrations, or duct penetrations, either in or out of partitions, we find that the disparity is as high as 14 to 17 points in sound transmission class (STC). This perhaps doesn't sound impressive, but every three decibels represents a 100 percent change in energy; so that when we say 17 decibels we are talking about a significant change. It's so great, as a matter of fact, that suppose you decided to invest in good sound control and said, "I want to have a real good project and I am willing to spend a little more to insure sound isolation because I think the people will enjoy and pay for the benefits of it. Because of this I am going to spend \$1.85 in lieu of the \$1.00 per square foot for a partition system, lab-tested 55 STC, which will be a party or common wall between two town houses with two separate occupancies." Now, you rely solely on the laboratory test data, and the laboratory test data do provide adequate insulation that exceeds the minimum requirements of the FHA. However, the workmen who installed it in the field did not use the same techniques, nor were they even aware of the technique that the laboratory technician used. No doubt they did the very best job they knew how to do, but when it was installed and tested, it was found no better than the cheapest wall he could have put up, or the \$1.00 per square foot partition. The poor quality of workmanship controlled the wall's effectiveness as a good sound barrier, so that in both cases workmanship, rather than the material, controlled in assembly. Consequently there is a great disparity now between what the manufacturers and the vendors of these products and assemblies would publish for sound isolation values based on laboratory data

and these values as found from field data.

But once again—to get back to codes and regulations such as FHA. You cannot use the laboratory as a basis for field enforcement. You should say that you want a 50-sound transmission class (STC) measured in the field, and it may well be that it will also be measured in the laboratory at 50, or maybe at 51, but not necessarily so. But be sure you clearly define it as a field requirement, because if you said, “We are going to cite a particular laboratory test value,” and establish this as the requirement, I think legally you would have a difficult time forcing contractors and vendors to comply in the field, because there is nothing appropriate for them to comply with. Construction is in the field—not in the laboratory—and there is no control of this work, and there is absolutely nothing in the specifications that requires the caulking material and other techniques to be used.

MR. JOHNSON: *Mr. Deavers, I gather that you've had pretty good luck in your work in obtaining acceptance, let's say, on the part of certain labor unions in your Council with respect to new products and new kinds of assemblies, and this is on a fairly large scale, as I understand it.*

What would happen if a local builder who does, let's say, about five houses a year in an area that normally had a union operation, and I assume that in California as in New York there isn't a great deal of union activity in the usual residential category, and he wanted to effect some substantial changes permitted by codes. What could you do to help him?

MR. DEAVER: We could not do anything unless he asked us in and gave us a chance to talk to him. Unless he did that we couldn't do a thing. But if given a chance to discuss the problem we may be able to figure out a way to help him.

I want to correct one statement relating to being under the impression that we don't have unions outside the towns. We have them all over California.

MR. JOHNSON: *I didn't say you didn't have them. I was asking if you had them.*

MR. DEAVERS: Yes. The only thing I can tell you is if they will call on us we will see if there isn't something that can be worked out.

MR. JOHNSON: *In other words, you could hit a situation in which he is likely to get a picketing on his job because the workers don't like the way a certain thing is being done. It might be a challenge to their days in the field or what have you.*

MR. DEAVERS: Many times pickets are placed on a job because someone is confused. The employer would do well to discuss matters with local building trades officials before starting construction. He might save himself considerable embarrassment. Lots of times pickets hit the job because nobody knows what's happening. Everybody is scared. Everybody is worried that some craft is going to picket.

Apprentice Training and Work Picture

MR. JOHNSON: *I've heard it said that one of the reasons why, in many areas—I am not singling out your area, or the State of California for that*

matter—but in many areas one of the reasons why the unions have been so resistant to expanding their apprenticeship programs is because they feel that there is not enough work going around. If through some housing program or something else you could guarantee a certain amount of work, let's say, all year around or, let's say, a guaranteed minimum yearly wage for construction workers, would you not only get a leveling out of cost but would you also expand the opportunities for people in the apprenticeship programs, and so forth? Is that true in your estimation?

MR. DEAVERS: We know that the apprenticeship programs are crippled because of the fact there's no use having apprentices if you have no work to put them on. You notice over the country. This is not just in the State of California, but over the Nation. It seems as though there was a "stop-everything" program and California got terribly hurt when we had 32 percent of our people out of work. When you have 32 percent out of work there's not much you can say to the crafts about putting more apprentices on. This is what we are up against. If we have plenty of construction we can use apprentices.

That is a very good question you have asked me.

MR. JOHNSON: *When you expend Federal funds to "make work," then you make work on a regular basis not only for the people already in the craft unions but for the people who are in the community and can be absorbed into what is being built in the communities?*

MR. DEAVERS: You are absolutely correct. This is what happens at any time that you start oiling any part of the wheel; you start the wheel turning and everything is turning, the merchants do business, and every other line of work is benefited. If they stop everything, as I say, when they stop the Federal and State construction, they tend to stop everything here because it's a fact if the building trades workmen are broke somebody else is going to suffer right along with them.

MR. JOHNSON: *Well, it isn't necessarily true, at least in my experience where I have lived. Let's say they're talking now about building a Government office building in Harlem, the idea being that this will not only help upgrade the community but will make work for the "residents." Well, everybody familiar with the New York City building trade situation knows that it's not going to make any significant amount of work for the people locally without some substantial change in the whole structure of the union apparatus locally.*

That's just true in New York City. I don't know what it would be like in California. In fact, they had problems—I talked to one of the contractors on the addition to the Harlem hospital three or four years ago when the people in the neighborhood were picketing the job because nobody from around the neighborhood had been working on this expensive project. The contractor said, "There is nothing I can do. They are blaming me and I am blaming the unions." So they actually closed the job down. I don't know how they managed to get it going again quietly, but eventually they finished the job.

So, how about this kind of situation? In this kind of public project, could it get acceptance in the unions that the project helps the neighborhood?

MR. DEAVERS: It does its share of good. I do not know that one job going anywhere is going to correct any major situation, but it's going to be some help.

Space and Safety of Mobile Homes

MR. JOHNSON: *I did most of the talking on that question. I have one other question for Mr. Botsai.*

You were talking about mobile homes a little while ago. I have been very much interested in mobile homes because even though in most Negro communities they have a bad name because the pattern of segregation in mobile homes has been very rigid and unbending, you do find in many areas, such as mine, that they offer a way, a means of home ownership, or at least some effective kind of ownership of your own living quarters, for people of very low income or people on Social Security. Statistically, most of the trailer parks are occupied by older people or very young couples just getting started.

Now, I am very interested in this because it's a kind of construction, a kind of habitat, that doesn't involve any on-site labor. And though this housing may be substandard when you view it objectively from the outside, it's extremely satisfactory to the people who are living in it, who would not go any other way unless they are pushed out of their homes. I didn't quite catch your statement earlier and I would like you to amplify it.

MR. BOTSAL: Well, I would like to amplify it and address the cost question first. I think—at least in this State—you will find that the cost per square foot of mobile home is certainly equal to what could be built on the site.

MR. JOHNSON: *I've heard that too, and I don't think that's a relevant comparison.*

MR. BOTSAL: I do not see how, at least I cannot in my mind, see how anyone can equivocate on life safety.

Now, you mentioned a segregated district. My opinion is that life safety is just as important to a man living in a trailer as it is to a man living in a penthouse. And if our codes are reasonable—and I believe they are to a large extent—then there is something wrong with the mobile home, and it's unfortunate to live in one.

The fact that the people are happy isn't going to do them a tinker's damn if a fire breaks out and they get burned up. This is the basic reason for the codes—life safety. Now, if a mobile home is just as safe as any other I have no objection at all. But I think for houses or office buildings, or any other structures that are used for human beings, we should establish minimum criteria of safety and comfort for today's market. And I do not think you can leave out safety factors and still have a satisfactory dwelling.

MR. JOHNSON: *Fine, I'm all in favor of safety. Now, I just differ with the thought that we can state arbitrarily that a mobile home is less safe than a standard house when constructed in conformity with the local housing code—if it's got two doors, one in front and one in back, which*

I think are required where I am.

MR. BOTSAL: That is not true.

MR. JOHNSON: *Well, a one-door trailer is a trap if you get trapped in it. The point is that it's not the same regulation then with respect to a house that is used with respect to mobile homes. On the other hand, I do not think we can continue indefinitely to say two contradictory things at the same time. We can't say for example, that we are going to have more and better housing for less cost.*

MR. BOTSAL: That's right.

MR. JOHNSON: *I think we have to apply the standards intelligently. Believe me, I don't own any stock in a trailer company. I am just passingly interested in this because trailers do have an enormous production potential, and there are lots of other nice ideas about them that sort of appeal to a simple mind like mine.*

But getting back to the question of unit cost per square foot: Mobile homes include the furnished items you don't buy with a house. You don't usually buy a house with the paneling and the carpeting and the refrigerator and all the other things in it—cabinet storage and so forth—that some of these mobile homes have. They may be a poor bargain if you accept the fact that you've got to have so many square feet to live in. But nobody's proved that to my satisfaction.

MR. BOTSAL: I will go two places on this answer. I did not absolutely state they were substandard. I merely said they were wide apart in their standards, and one of them is wrong. Personally, I am inclined to believe—I guess prejudicially—that the mobile home is wrong, but we cannot agree on this, and this has been our big pitch in the profession.

What are the criteria? What is the minimum space in which to sleep? What is the minimum amount of light and air for a single inhabitant in a room? These things have been arbitrarily established, but are they right? The standards certainly aren't right if they are right for a mobile house but not for a house.

MR. JOHNSON: *I do not agree. I don't think anything is that absolute. The only absolute I can find is that we are continuing to improve our estimates of things all the time. We are continuing to expect better and better all the time, because this is just the way things go, but I do not think that the two are exactly relatable. I think a piece of permanent construction that was 10 feet high and 10 feet wide and 70 feet long would be ridiculous on the face of it but we are talking about something else, and I am not just badgering to be argumentative, but I am trying to get to—*

MR. BOTSAL: Well, as long as I disagree with you—

MR. BAKER: I find this discussion most interesting, but you have exceeded the time barrier. I wish that we could continue. Professor DeGrove.

MR. DEGROVE: *Stay right there because I am interested in this too. Among other things—at least so far as you have commented—it is your conception that people who live in mobile homes are a little naive. In the area where I live, high-income mobile home parks are common—and I mean high income.*

MR. BOTSAL: We have them here also.

MR. DEGROVE: *People who live in mobile homes are mobile home addicts, I mean.*

MR. BOTSAL: That's right.

MR. DEGROVE: *They are fond of them. They wouldn't live anywhere else, including a penthouse. We find a remarkable rigidity and conservatism among planners—people concerned with land use, people concerned with zoning—about mobile homes. Very little of this rigidity is related to safety, the question you are raising, which I think is a valid and perfectly reasonable question to raise. If the thing is unsafe, obviously we can't support it.*

But I am a member of a planning board and live in a community where I'm voted down six to one regularly in an effort to get new lands in the community zoned for mobile home parks of any kind, and yet it seems there are intriguing possibilities here. It seems to me we ought not to palm off our value judgments on people who are perfectly content to live in what many people regard as extremely cramped space in mobile homes, and that there are real possibilities for factory-built, relatively low-cost housing because you almost automatically get into the land cost and other savings too. Again, I have never had, or doubt that I ever will have, any stock in a mobile home company, but I'd like to see a lot more flexibility, a lot more of the research that you are calling for. And I commend your attention to how these homes can be used to deal with the low-income housing problem—whether they fit in—and if so, whether they fit better in rural areas or in certain types of urban areas, and not in others, or whatever.

So, I didn't have a question. I had a little speech and I will ask you to respond to it and then I will yield.

MR. BOTSAL: Well, I want to make it clear that I am not anti-mobile home, and we have some very fine developments in this State that are really quite lovely. But I reiterate my position. It is a double standard. And if so many cubic feet are adequate for an inhabitant in a mobile home they should be adequate in a residence and we should be able to create this for residence areas.

Now the fact of furnishings being built in. I can build anything in the house they can do in a mobile home, but the codes won't let me. I have never said what I believe is right, but I believe the regulations are probably right. I am merely saying that in California mobile homes are exempt from codes, and I believe that this is wrong. I believe that a code is for the purpose of establishing minimum standards for life and safety and those minimum standards should be for everyone.

MR. DEGROVE: *What you pointed out convinces me that those people who say the existing building codes do inhibit the provision of low-cost housing are right, because here is an area where the codes haven't applied, and where I think we have gotten some imaginative use of space that you apparently feel would not be allowed under existing building codes. And if the codes were extended I don't know what would happen to the mobile home industry—which is certainly not my concern. But it seems to me the point you are making is valid: that we'd better take a*

new look at some of the values that underlie present codes. What we have asked for are criteria. I am talking about values because a lot of these criteria flow from values, not codes nor anything that can be reduced to zoning.

MR. BOTSAI: As for special requirements, there are very few limits in the code for special requirements. Frankly, there are far higher requirements for space in FHA.

MR. DEGROVE: *Well, true. I guess I am really including that.*

MR. BOTSAI: I do disagree with you intensely when you say that imaginative use overrides a code if you are pertaining to fire safety, for example.

MR. DEGROVE: *I don't consider a fire trap an example of imaginative use.*

MR. BOTSAI: All right, but I know for a fact that a large number of trailers are fire traps; they are built with an explosive foam material. Now, that is wrong. It should not allowed.

MR. DEGROVE: *No, you are on sound ground there. But a lot of them are built that aren't fire traps, I understand.*

MR. BOTSAI: I do not know, because all I am saying is that if an area is outside normal procedures I don't think that is correct. Now what the result of this is I do not know.

MR. DEGROVE: *One of the reasons—*

MR. BAKER: I notice you still have some time, but Mr. Deavers has asked if he might take leave and he wonders if there are questions for him before he goes?

MR. DEGROVE: *Fine. I yield.*

MR. BAKER: Do any of you have any questions to ask of Mr. Deavers?

MR. WOODBURY: *Just a quick one. You were referring to school construction, which you have indicated is the project that you have worked on with Mr. Ehrenkrantz. Then I will go on to include the new college and university construction project. It occurred to me that those are types of construction that normally are done by a relatively small number of people compared with the number of men who build houses. Now my question is: do you see any possibility of approach that you've described to us—which seems to me to make sense—being applied to housing construction?*

MR. DEAVERS: I think it's definitely going to have to be applied to housing construction.

MR. WOODBURY: *Well, what kind of house builders would get together and work with you and your craft representatives in the manner in which the school people worked with you?*

MR. DEAVERS: I think instead of its being the builder himself who meets with us, it might be the buyer of an engineering firm who would deal with us, to discuss what they might be wanting to come up with for future information, future methods of construction. I call up any big engineering firm and immediately they are a buyer. Our State Council deals with buyers rather than employers, that's from the State Administrative Council, and I think that that is where such a matter should be discussed. You will find that many times employers assign work to some particular craft and then everyone else in the building industry is up in

arms about it; so I think that if they start any sort of change of construction one of the things they should do is to talk to everybody in a joint meeting so that all have a chance to look at proposed changes, and I think that we can help. I think that we can, somewhere along the line, cut down on the costs of expensive construction.

Property values cannot be cut down by any stretch of the imagination through a meeting with us or anybody else; but we do know that there is a small number of people that are engaged in this school construction, and there are several crafts involved.

Now we talk about going back to prefabs: We talk as if there is a lesser price paid for in-the-plant construction.

We found that that's not true; that in some instances—in many instances—where the transportation costs are added, the work done at the job site is cheaper even than that done in the plant. But I think that making a study of this somewhere, where a group of architects would call us in and let us all take a look at proposals, could result in cutting some costs of construction and getting good construction at the same time.

MR. BAKER: John, you may resume.

I might add that in regard to mobile homes, a very famous actor by the name of Bill Boyd, formerly known as Hopalong Cassidy, resides in mobile homes at Dana Point and in Palm Springs.

MR. DEGROVE: *I am almost finished, and I didn't have a question for you, Mr. Deavers.*

MR. BAKER: Sir, we deeply appreciate your cooperation.

MR. DEEVERS: Thank you. Senator, it was good to see you again.

MR. DEGROVE: *Mr. Botsai, I am picking on you, and I will ask you one other question. It's not about mobile homes except to say that I think you are raising questions that ought to be raised because these things are expanding as a part of the housing situation. I'm glad to see you raising them, and I hope that we can pursue some sort of data collection and analysis. Really related to the last question I asked—whether codes have no appreciable effect on the cost of housing units—I just want to ask you this:*

How do you—and I don't mean this in a facetious manner—but what is the extent of systematic data that you have collected? What range of conditions does your information about standards involve, or is this partly subjective, partly objective?

MR. BOTSAI: Well, as an architect I am a very subjective person to start with.

MR. DEGROVE: *I am delighted you said that. It will make me feel closer to the rest of the architects around the area.*

MR. BOTSAI: I don't know that this has been a systematic thing. It's been a reaction to innumerable groups such as this one who have used codes as a whipping boy for every imaginable ill. It's sort of frightening when we look at the total cost of the house against the total taxes the consumer pays. We begin to realize that the total cost of the house is less than 50 percent of what that consumer pays in costs, excluding his

interest costs. To say that I will be as magnanimous as my mind can extend.

Say that code changes save \$2,000 a house. This is really insignificant in the cost of the house. I grant you, I'd like to have \$2,000.

MR. DOUGLAS: *I want to react to that. I shall.*

I used to have exactly the same experience in the Senate. I questioned some expenditure that cost \$2 million, which I thought was wasteful. People would say, "Well, that only cost \$2 million. This is nothing compared with the budget of \$40 billion, or perhaps \$100 billion." And my reply to that was always, "Well, it's \$2 million." The old slogan was, "Every little bit added to what you've got makes a little more, and every little bit taken from what you've got make a little bit less."

There is no magic solution, no one thing that we can do, but there may be a whole series of things, each one of which can be thrown out the window on the grounds, "That is not important." But the total would mean a great deal. If you throw out every proposal that we can make on the grounds that it wouldn't do any good, then we do nothing. I react against that excuse. Pardon me for pounding the table.

Architects go on costs. The architect gets 6 percent of the cost. If they step up the cost they get 6 percent of the higher figure. You borrow money on a given percentage; that goes up, and so forth, and so on. If you cut the basic cost you are cutting down your multipliers.

MR. BOTSAL: This I agree with, but I wish to add two things to that, sir.

Number 1, I said that was stretching my imagination to the limit and I believe you are talking in matters of hundreds of dollars—if you will let me finish. . . .

MR. DOUGLAS: *Sure.*

MR. BOTSAL: If you people can, by some magic of your power—and I see a lot of power represented here—give us some rational reasons for codes to be changed, I know of no honest code body in this State—and I am acquainted with all of them—that has ever refused to modify a code when someone brought in data that could be substantiated. We need the criteria.

MR. DOUGLAS: *Well, on this \$2,000 business: Assuming that in the past we have been building at a rate of about 1½ million housing units a year. A million and a half multiplied by \$2,000, is \$3 billion. I say it's worth trying to get it if we can get those \$3 billion.*

MR. BOTSAL: Sir, all I can say, it's not \$2,000 a house in my opinion. I'd like to see some study done.

Again, what is a minimum standard? I can bring you some codes that would reduce \$2,000 out of this house but I wouldn't ever advocate it.

MR. DE GROVE: *I wish you would not say that. I wish you would say, "I'd like to research codes and see if we could not find what would produces that."*

MR. BOTSAL: This is our official policy.

MR. LYONS: *Am I correct, when we are talking about codes, there are really two things we are talking about? Money is one; and the codes*

which require space, which is a matter of choice, as opposed to the codes which require building materials?

MR. BOTSAL: Yes, that is right.

MR. LYONS: And if you would knock out the codes on space you may come up with \$2,000, but you are getting something less for your money?

MR. BAKER: I think we are getting a little out of schedule here. Mrs. Smith?

MRS. SMITH: I promise not to add a lot of questions about mobile homes. I think we have had enough. But I am thinking of changing my practice to California, because I have never spent a day with people saying how just dandy and warmhearted and understanding all the building code people are. I spend half my life going in and fighting building codes in Washington, D. C., and I just can't believe it's so dreamy here. And in talking about just coming in and seeing your friendly building official, well, ha, ha, ha! I would like to say, the only trouble is that one never has enough time to do all these civic duties, but we've got to do it. But, I will give just a simple example:

I practice in Washington, D. C., but in the modern world I also have to practice someplace else. I also practice in Boston. In Washington, D. C. I was doing a three-story. This is the case in point. In Washington, three stories requires one set of stairs. Then I get to Boston, and I can't believe it. Up there—only 45 minutes by jet—I have to put in two very expensive stairs, and the whole point of this project was to try to build as economically as we could. First of all, wouldn't you ever have any little conflict like that in California?

MR. BOTSAL: I can't speak for the eastern part of the United States.

MRS. SMITH: Well, I feel like I've been cut off.

MR. BOTSAL: I would say one thing from what I have heard—and we have had projects out here done by eastern architects we consult with, because of our licensing laws—that they are totally amazed at the attitude in this State, favorably amazed, I might add. I might add personally—and this is a subjective thing—I have never personally been in a position where I was harassed by a building official.

MRS. SMITH: I tell you, I'm coming tomorrow.

MR. BOTSAL: I hate to say it, but there are too many architects here already. (Laughter.)

MRS. SMITH: There are a lot of examples I would like to go through, but there isn't time here to do it. We have a building code that says we can make a building all glass. But so help you, if you want to have a little portion of it not glass. It must be eight inches in masonry! What kind of sense does that make to anybody?

MR. BOTSAL: Not an awful lot.

MRS. SMITH: All right. And we fought and died over that and got nowhere.

MR. BOTSAL: But, with your permission, I do not think you will find that here.

MRS. SMITH: I tell you, this is the dream world! My last question is—and I haven't been to EXPO yet—I want to see the fiberglass bathroom.

MR. BOTSAL: Forty years ago or so they had a pre-fab bath, and I

think kitchens should be done that way. You should not have to put all that stuff together.

MRS. SMITH: *Yet even if we got one made in Washington the purport of your code is that you could never put it in. Bathrooms and kitchens are matters of great cost. Really, once you get a prefab installation up, the plumbers come in, and hook up here and here, and it would be very simple.*

MR. BOTSAL: In low-cost housing in this State, which is a Type V construction, absolutely nothing in our code that I know of would restrict that. I doubt if there would be a problem with that installation.

MRS. SMITH: *Why hasn't somebody gotten the word east of the Mississippi River?*

MR. BOTSAL: I'm sure Mr. Carter¹ would be happy to help you in that subject.

MRS. SMITH: *Well anyway, I still think there are major cost savings to be made, though not cutting the cost of houses in half. Also, from what happens in a lot of these investigations—and we are always harassing our Building Department because so much of it doesn't make sense, and the answers you get are so unsatisfactory—and yet you can't stop your practice and go through a testing laboratory and 79 hearings in Washington. We have a rather massive little system of government, and so it's the most frustrating thing in the world. You never find out, except in this process of questioning, what it does just to the architect—and I think to everybody else when you do get some change it makes you think of other questions and other ways to do things, and there ought to be questioning all the time.*

MR. BOTSAL: I could possibly answer some of your statements by citing a condition that exists in the City of San Francisco, which happens to have its own building code because of unusual conditions. I am a member of the Northern California A.I.A. Code Committee, and I am a member of the Chamber of Commerce Code Committee, and I believe this could also be said of Los Angeles. In the past eight years—that I personally vouch for—there has not been a single code change, not one single code change in the City of San Francisco, that has not had the complete endorsement of the American Institute of Architects. Not one.

MRS. SMITH: *Well, that's just fine.*

MR. BOTSAL: No, I don't know how the East does it, but perhaps we can show the rest of the country some things.

MRS. SMITH: *Well, I think you could.*

One last question—and I think my time is over—but on this business of space we have idiotic requirements, like all kitchens have to be 60 square feet. Well, I am trying to do a very inexpensive project, and these little one-bedroom apartments need a 60 square-foot kitchen like a hole in the head, and yet you talk about changing it and the whole attitude is—well, just so the builder can make more money. You want to cut down space. It's maddening, just maddening.

MR. BOTSAL: Yes.

MRS. SMITH: *And an exercise in cost in a lot of these things.*

¹Mr. T. H. Carter, ICBO. See page 9.

MR. BOTSAL: Well, I think you are right. We have idiosyncracies as well. I think we are probably advanced, compared to the rest of the country. But on that one particular item I will give you a professional opinion that has worked out here. We merely connect with a large opening to another room and we avoid that requirement, and the building officials happily accept it.

MRS. SMITH: *I know, but people don't like an opening to that room. People don't like open rooms in the East.*

Thank you very much.

MR. WOODBURY: *I am not on mobile homes or kitchens. You mentioned—if I caught your phrase—the legal testing procedure and the question of the reliability of hard texture and so forth, pursuit of the use of progress, new materials, and so on. This seems to be something that is worthwhile exploring a little bit further. Had you given any thought to how this might be handled? Are you thinking in terms of some sort of defense fund that would be contributed to a group of experts so that architects or builders can hire them when they get into trouble?*

MR. FEINBERG: *And what about the mechanics of it?*

MR. BOTSAL: Well, I suppose very superficially. But we have several nationwide agencies—USASI [United States of America Standards Institute], ASTM [American Society for Testing and Materials], Bureau of Standards. It seems to me that these people have the wherewithal and the means to establish these criteria and sanctify them; so that when a test is run, it's run with the proper conditions, and we know that it's not going to fail unless it was improperly done. Or, if somebody makes an honest mistake for the benefit of mankind (and that's a trite phrase), if it fails 10 years from now, and no testing procedure could have foreseen it, the professional who used this honestly, trying to reduce the cost or to increase the amenities, isn't subject to a tremendous lawsuit.

But, as I say again, legal testing is needed that will stand up in court. That means the profession would be free to experiment within the limitations of good common sense, but that isn't the case now.

MR. WOODBURY: *So you are thinking not so much in terms of a defense fund as much as a certification fund, and so forth, that would be in the main more or less adequate, with exceptions?*

MR. BOTSAL: I say—

MR. EHRENKRANTZ: *There is a precedent for working this on a national basis in France. There is a system which does this.*

MR. LYONS: *Can't the USASI sit down with the ASTM?*

MR. WOODBURY: *I have just one quick one for Mr. Oliphant.*

MR. BOTSAL: Mr. Chairman, if I may, I would like to be excused. I have to catch a plane. I wish to thank you—all of the members of the Commission. By the way, mobile homes are not taxable under our property tax laws.

MRS. SMITH: *Ah, the truth came out.*

MR. BOTSAL: Now the real truth comes out.

Passing along Underground Utility Costs

MR. WOODBURY: *Well, my question for you, sir, is on one point from*

your earlier discussion with Mr. Feinberg on underground utilities. Perhaps I didn't understand you, but I thought the implication of your discussion was that if the additional cost, or a portion of the additional cost, of underground utilities were charged to the builder, the cost would be passed to the buyer.

MR. OLIPHANT: They would be automatically passed on.

MR. WOODBURY: *Well, suppose they are absorbed by the utilities?*

MR. OLIPHANT: They are not absorbed by the utilities. Let me go—

MR. WOODBURY: *But they are reflected in the utility rates?*

MR. OLIPHANT: No, they are not, because then they stand behind this defense: The Public Utility Commission regulates the tariffs; the tariffs for the majority of the consumers are based on an overhead service drop, which is much less costly than underground service, so that they feel that there is discrimination, and the PUC has upheld the utility company here. They will not work a two-rate system; only a one-rate schedule.

MR. FEINBERG: *May I interrupt?*

MR. WOODBURY: *Go ahead.*

MR. FEINBERG: *As a matter of fact, I am about to embark on some litigation on it. In Maryland there was an instance in which the Public Utility Commission ruled that a private utility would have to assume the responsibility of making the capital investment of putting it underground; but they could in turn recover it over a period of years by reflecting an increase in the rates. One of the differences in all of this is this: that when the rate is changed, the other parts of the community which have not had the benefit of this luxurious environment, have to assume a certain cost—but that's not my theory, by the way.*

MR. WOODBURY: *You see, my point would be that you've got a one-rate system now. But, when the underground utilities become very common, then the utilities will change their formula and the cost then will be reflected in the rates.*

MR. OLIPHANT: As a matter of fact, through progress in the technology of installation and of materials used, where as recently as seven years ago it cost \$1,100 for a 60-foot frontage lot the cost is now down to \$225. Well, a normal overhead service drop is \$75 now. The difference in cost between \$75 and \$225 is not a major thing any more. And through the proper motivation of utility operations and private consultants, such as myself, we have played a great role in bringing to light these other capabilities so as to get out of this \$1,100 bracket and down to something realistic. There is no longer a defense mechanism that the utilities tend to crawl behind; in reality, in owning and operating costs they in fact can resume the sole responsibility for the underground and not include a higher tariff rating at all. In other words, their cost of doing business from then on will not change because of having gone underground. Even though they had to spend a little bit more, now they are going to recoup from the elimination of damage by lightning storms or other hazards which give them all kinds of difficulties with overhead installations.

MR. WOODBURY: *Thank you very much.*

MR. BAKER: We did indicate this morning there would be time made available this afternoon for any other witnesses. If you would approach the microphone. We will limit your time to five minutes.

MRS. MOBLEY: I just have a couple of questions I want to ask.

MR. BAKER: Would you give us your name and if you represent an association, who you represent?

PUBLIC WITNESSES

Mrs. Mobley: Watts Community Action

MRS. MOBLEY: My name is Fannie C. Mobley. I am President of the Watts Community Action Group and I just have two or three questions I'd like to ask.

The first one is about FHA. You do have a brochure stating terms that we could get money and use these terms. What I want to know is who can use them? Where do you go to use it, and how do you get to use it? Can anyone answer that?

MR. BAKER: I am going to try to answer it this way, Mrs. Mobley. As I stated this morning, we are not a lobbying agency. We are a fact-finding agency. We are here to gather information that would help us resolve the problems in finding low-cost housing for low-income people.

Now, if the FHA guarantees the financing through a local bank or a local lender, we are not in the position to recommend who can get money, or how they can obtain money, or through which association you can obtain money.

MRS. MOBLEY: I don't mean getting money, but I am talking of using the terms, FHA terms, for low rates of interest and small payments. Now if you can qualify—

MR. BAKER: You would have to apply through a lender.

MRS. MOBLEY: I know, but if you do you can't use your terms. See, you have a term that you can have it at 6.2 percent or maybe 5.3 percent interest rate at a low monthly payment; but when you go to the bank they will not let you use this term to get the money. This is the only place you can go to get the money, but you can't use your terms.

MR. BAKER: I'm going to use a tactic that I use on my board when I can't answer. I am going to defer to legal counsel.

MR. FEINBERG: *John, Mr. Pearl is nodding his head back there. Mr. Chairman, Mr. Pearl, who is a lawyer with HUD and with FHA operations, is here. Therefore, not to pass the ball, but I think we ought to go to the expert.*

MR. PEARL: Mr. Feinberg, I am not sure I take the question correctly, but I wonder if it does not refer to—

MR. FEINBERG: *Maybe I can help explain it. I think what she is saying is this: She has seen literature talking about the 221(d)(3) programs and other similar types of programs where there is a certain subsidy involved—low-interest rate. She goes to the bank and talks about that. Of course they reject her.*

MRS. MOBLEY: That's right.

MR. FEINBERG: *She is not a builder or a developer. She comes as an individual. She wants to know if there is any medium of relief through this program for individuals, or do they have to resort to some sponsorship.*

Now you and I both know that there are nonprofit corporations that can go in and develop a program. But this takes a lot of technical advice; so rather than go to the bank she wants to go to someone who is experienced in this field of endeavor. You must have some lawyer—

MRS. MOBLEY: I wrote to Mr. Weaver. I am still seeking this information. Because I am poor and in the poor area, and this is one story—

MR. FEINBERG: *You say you as an individual can't go in? That is true. You cannot go in as an individual and take this overall program and say, "I would like to get this kind of a mortgage." It doesn't work that way.*

MRS. MOBLEY: I mean just for your own house.

MR. FEINBERG: *Not for an individual. There must be a program set up on an overall basis, and you can participate and get a home in one of the programs, get one of the homes under that particular overall foundation.*

MR. JOHNSON: *Perhaps she is seeking home improvement financing?*

MRS. MOBLEY: Home improvement, yes.

MR. FEINBERG: *Home improvement? I thought you were talking about buying houses.*

MRS. MOBLEY: No, home improvement loans.

MR. FEINBERG: *Home improvement loans?*

MRS. MOBLEY: That's right.

MR. FEINBERG: *Well, there are some Federal arrangements, aren't there, for direct lending? Larry, tell her.*

MR. PEARL: There are several programs which FHA underwrites, and those can be handled through local banks, and you can go in individually.

MRS. MOBLEY: You can't. You can't, and get FHA terms. I'm talking about the terms now.

MR. PELLISH: Perhaps we should mention rehabilitation loans and grants.

MR. PEARL: Right. But I wonder if one of your problems isn't a question of points, particularly for home purchase, which we were talking about before. I understand 6 points are charged in California, so that even though FHA may have a stated rate, the FHA allows lenders to charge additional points. Obviously the FHA rate is not the true rate in terms of your borrowing the money.

MR. FEINBERG: *On these rates I didn't think they charged points. Did they talk to you about that?*

MRS. MOBLEY: Yes, they did.

MR. FEINBERG: *Yes, the FHA permits the builder a certain margin, I call it. Larry, let me ask you this. Don't you have some Federal programs which will permit direct lending where private lending is not available?*

MR. PEARL: That's right. Mr. Pellish mentioned the 312¹ rehabilitation loans available.

MR. FEINBERG: *But Mrs. Mobley, it's impossible for Mr. Pellish or any one of us here within a matter of minutes to explain the details so you can solve your problem.*

MRS. MOBLEY: I understand that. I am merely trying to—

MR. FEINBERG: *I am not trying to brush you off. I am merely saying this. There is a 312 program which will permit you to get an improvement loan directly, I believe. Then you will not have to pay these—*

MRS. MOBLEY: When you say directly, directly from whom?

MR. FEINBERG: *From the FHA. They have certain funds.*

MRS. MOBLEY: What is the number there?

MR. PELLISH: That program relates to a part of the Housing Act. If you see the local urban renewal office they can tell you about it—whether you are qualified—when you go there.

MR. FEINBERG: *Don't go to the bank.*

MRS. MOBLEY: Just one more question about code changes.

MR. BAKER: That question has been raised.

MRS. MOBLEY: Well, I want to know if I had to have some work done because of code² and I strictly had to pay, I strictly had to pay because they said, "You got to raise this a foot this way and a foot that way," and they didn't care about the material but I did have to pay for it and I know that in any kind of code change there are expenses with it. Should this make my property taxes go up?

I would like to say this before leaving: remember, we as Watts community people do not wish to be disturbed. We want to maintain our homes and remain happy there. We don't wish to lose it to industry because there is plenty of room without disturbing us.

MR. BAKER: Thank you. Sir, if you will approach the microphone and give us your name and affiliation.

Sho Muruyama: Retroactive Code Enforcement

MR. MURUYAMA: My name is Sho Muruyama. I am just representing myself as a private citizen. I have had discussions recently about code enforcement, and I believe that one of the questions that perhaps the Commission should address itself to is a kind of retroactive code enforcement—the kind the lady was just describing.

Perhaps an instance of this would be where the code is in the process of changing, of keeping up to date. The architects are very much concerned about the new materials as this kind of thing affects new building; so the standards go up and up. But when it comes to retroactively applying these standards to older areas of the city—Watts being an example—they don't necessarily fit into the same category of health and safety provisions. Some of them become, well, very arbitrary, esthetic kinds of things. In the Los Angeles situation one report of the Building

¹ Three percent Federal loans for rehabilitation in urban renewal and concentrated code enforcement areas.

² The type referred to is a housing code, not a building code.

and Safety Department, done by the management of the auditing team of Los Angeles, describes a regulation that requires a building stairwell to go from 41 inches to 43 inches in width, and of course that difference of a couple of inches in an older building is not going to contribute much one way or another to health and safety. And you know, perhaps if there was an excessive number of dwelling units up above, the stairwell size might be of some concern. But retroactively applying some of these kinds of considerations to the older homes, I think, becomes somewhat arbitrary in the concern for health and safety. A second kind of element is not hearsay on my part, though I have no direct experience with it—the application of these building codes to older areas.

I am against retroactivity. In terms of a 312 kind of program, which is going into an older area, I think that sometimes the houses can be very well utilized by the present occupants. Consider the old lady tenant who has lived in a house 40 or 50 years who is perfectly happy with 30 amps wiring and only one outlet in the room. In the application of the codes, perhaps some judgment should be used to provide that for the little old lady in tennis shoes it is perfectly all right for her to live in this old house without applying the modern-day building codes. But if the law is rigidly adhered to—and to my mind a certain amount of this is desirable—then the woman who is living off Social Security obviously has to upgrade her house to a point where it costs so much that she is forced to leave the premises and move into an old age home. But when the time of judgment comes as to whether or not to apply this code, and the question is, whether she's 50 or 60 or 70, or whatever, if her income is limited, then this kind of judgment becomes very difficult for the individual inspector to make. Then there comes the problem of passing money, and all that kind of business. But I think this is the kind of question that perhaps the Commission should investigate themselves: Whether to have retroactive application of housing codes to older buildings in the community. In some ways, where we want to improve the older homes in the community, there are ways of doing it by using judgment—at least using judgment with some kind of standards for application.

MR. BAKER: Thank you Mr. Muruyama. Are there further witnesses in the audience who wish to express themselves?

If not, we wish to express our appreciation to the Board of Education, and to Mr. Chaffee for the use of these facilities. We are grateful to all of you who took the time to attend and we will certainly weigh carefully the ideas you have given us.

(Adjournment.)

*Aliso Village Community Center
Los Angeles, California
Morning, July 1, 1967*

The human problems of the ghetto, and how the people themselves can best help solve these problems, provided the frame-

work of the hearings at the morning session. Special attention was given to community organization as a vehicle for dealing with urban problems, as examined by both students of and residents of poor, inner-city neighborhoods.

PEOPLE AND THE INNER CITY

MR. DOUGLAS: I am very happy to come to this community. We want to thank you for making the facilities available to us and for your attendance and for your interest. I am going to ask Mr. David Baker, who is Chairman of the Board of Supervisors of Orange County, to preside. Mr. Baker has made long trips from California to the Central States and to the East on our Commission affairs, and we are now visiting him on home grounds.

MR. BAKER: Senator, we are indeed grateful to those here permitting us to use the facilities this morning. We are hopeful that the information and testimony you give us will be helpful in the pursuit of our assignment, and that what we learn here will be consolidated into a part of a report which is part of a goal toward the solution of providing low-cost housing for low-income people.

We have with us this morning Mr. Jesse Spray [General Housing Manager, Housing Authority, City of Los Angeles] who wishes to make a few remarks.

MR. SPRAY: Mr. Chairman and members of the Commission, we do wish to welcome you here to Aliso Village. I understand in Hawaii they have a custom of declaring a certain holiday when everyone is privileged to go without their coats and wear sport shirts. This afternoon I would suggest that the chairman declare that type of day when coats can be removed.

We wish to make you feel very welcome here today, and I was happy to see a number of you out walking around enjoying some of the good and, I believe, smog-free air this morning. It was very fine.

STATEMENT BY JESSE SPRAY

Now, if I might, I would like to enter a few of my remarks at this time concerning housing.

I was particularly impressed by Chairman Douglas's statement to the press about these hearings: "It is not enough to bemoan the problems of our city—and they are great. We also must find ways to overcome the technical obstacles that appear to impede efforts to create decent housing and good neighborhoods for all Americans. This is the constructive purpose of our hearings."

It is these technical obstacles I wish to discuss today. With all good intentions and with many influential people, our programs have been just reduced to mere nibblings at the problem of housing in Los Angeles City.

Public Housing in Los Angeles City

We have in the City Housing Authority 8,609 public housing units constructed, which is a small number in comparison with the size of our city. This figure has been reduced to approximately 8,200 apartments through what we refer to as conversion. That is why these mathematics don't add up. Conversion is a system we have whereby we cut doors between two smaller apartments and make them into larger units because that is where the demand is. Our original construction included 2,065 units with three, four, and five bedrooms, and 6,041 units of one- and two-bedroom sizes. By cutting these doors, as I have mentioned, we do take care of the critical need.

The bedroom size restriction has always been forced on to the local authorities, not only here but throughout the United States, through cost limitations. Our present cost limitation, as imposed by the Department of Housing and Urban Development, will not permit us to build an acceptable structure with enough bedrooms in the range allowed. We would encourage Congress and the HUD administration to allow a more realistic figure in new construction. Our present limitations are \$2,400 per room with provisions for the regional administrator to approve up to \$3,000 per room. Three-bedroom apartments are generally classified as 5½ rooms. In San Francisco or Los Angeles we cannot build and equip for this amount. I am going to write to Mr. Enos Cane, Executive Director of the San Francisco Housing Authority, asking if perhaps he would want to paint you a picture of the problems he is facing at the present time. He has authority to build, but I understand he is not able to get approved plans due to these cost restrictions.

In California we have still another problem: that is Article 34 of the State laws, a statute which will not permit a locality to provide additional public housing without a successful referendum. I understand, of course, that Federal action cannot touch this situation.

Existing housing is rapidly becoming a problem for us here in Los Angeles: 3,700 of our total units were built before 1943. Twenty-five years has shown toll on some installations. Water and gas lines, both interior and exterior, are failing to the extent of requiring major expenditure. In theory at least we were to operate on our income. Our contract with the Federal Government requires us to pay prevailing wages. With an increase in wage rates of 3½ to 5 percent each year we are facing a dilemma. Yet, we cannot raise the rents or we will not be serving the people we were created to serve. As a result our reserve funds are rapidly disappearing. I have a chart in my office which will show the total income of the Authority and the total expenditures. This year the lines crossed, which is an alarming situation. Something has to be done.

It is our feeling that grant money should be made available to rehabilitate the older projects. Modernizing many is necessary as they were built during a time of material shortage with Spartan simplicity—no asphalt tile, no storage, no arrangement for washing machines, crude electric fixtures, inadequate outdoor lighting, insufficient playgrounds and

recreational facilities. Now, this is not a stretch of the picture at all. This is the true picture right here at Aliso Village. We are now putting asphalt tile on the floors. But it is a costly project and it is going to be a three- or four-year program. It's quite costly to cover the raw concrete floors which are not conducive to your healthful living.

Your Commission has shown an interest in self-help programs. We too are vitally interested. We are taking every opportunity to assist our people to become more independent and self-sustaining. Adult training and employment are greatly hampered by the lack of transportation and this is the big item in Los Angeles City. This is particularly noted in some of our outlying projects—although I say outlying, yet they are fairly well downtown—to which we do not have bus transportation at all.

These are some of the few problems facing us. I am happy that you chose Aliso Village. I couldn't quite believe it when Mr. Rybeck called to say this is where you wanted to meet—in a public housing project—so we were in contact several times. But I am happy you are here as our guests.

I have been instructed by my Commission to make certain that your needs are met while you are with us. It was their desire that I briefly outline some of these problems. Miss Hedges of my office and I will be here all day with you to see to your needs. Thank you.

MR. BAKER: Thank you, Mr. Spray. Senator, do you wish to question Mr. Spray?

MR. DOUGLAS: *There is one question I wish to ask in reference to the cost figures: Does this figure of \$2,400 to \$3,000 per room include land acquisition cost, or is it purely construction cost?*

MR. SPRAY: It does include equipment, sidewalks, and all the landscaping, and so forth, but not land.

MR. DOUGLAS: *Thank you.*

MR. BAKER: Ladies and gentlemen, perhaps we should clarify the purpose of our being here—the reason for this Commission's convening. We are not here in any sense of investigating but to learn, to study, and to gather information.

There are two parts to our program. The first is to conduct a penetrating review of the zoning, housing, and building codes, taxation, and development standards. We find that these processes have not kept pace with the times, causing the stunting of growth and opportunity. They are the springboards from which all of the ills of life flow.

And second, to recommend the solution, particularly those ways in which the efforts of the Federal Government, private industry, and local communities can be marshaled to increase the supply of low-cost, decent housing. That is the purpose of our being here. The subject this morning is the role of private social welfare agencies in creating self-help opportunities. We feel we can learn a great deal.

Our first witness this morning is the Reverend William H. Hervey.¹

¹ Director, Department of Metropolitan Missions, Southern California Presbyterian Headquarters, and Member, Los Angeles Federation Board of Directors. Chairman of Church Social Society Committee of the Presbyterian Synod of New Jersey, 1961-62, when Committee of Race was founded.

Mr. Hervey served during the summer of 1964 as a Minister-Counselor, in Mississippi on a project for the National Council of Churches. He assisted in conducting the funeral services for Mr. James Cheney, a Negro boy, and Michael Swerner and Avro Goodman who died in Time, Mississippi, June 16, 1964. For the past two years Mr. Hervey has served as a director of the Metropolitan Mission for the Synod of Southern California and Hawaii.

Mr. Hervey, we are indeed pleased to have you with us this morning.

STATEMENT BY THE REVEREND WILLIAM HERVEY

MR. HERVEY: Thank you very much. I would just briefly like to summarize a somewhat lengthy statement I have prepared¹ in reference to the subject of how to help the urban poor develop skills and abilities, to help them assume greater responsibility in civil, social, and political activities.

I would like to summarize, because I think I have spent perhaps too much time in describing the problem in order to understand the types of solutions that are needed. I would like to spend a little more time on the solutions I think are needed for the situation.

One of the ironic factors we face as we consider community organization and poverty, as is so often the case (I think the best illustration is the religious establishment, the church) the structures that we create to do tasks and deal with issues very often become the worst enemies of the goals and objectives we seek. Often the person in poverty is effectively ruled by the large-scale bureaucratic structures which surround him with rules and regulations, binding him by needs and services and benefits.

To summarize my first point, I would say that the very institutions of our society—be they educational institutions, be they police establishment, be they welfare establishment, or be they political structures—are in fact by their very nature some of the biggest enemies and the biggest roadblocks to an effective working out of the problems of community organization, particularly in the ghetto community. I would say this carries through in the community organization in the poverty communities.

All too often the focus on the part of the public and private agencies has been the building of a yet more powerful bureaucracy to carry out the direct programs of neighborhood action. I think the poverty program has best illustrated what I'm trying to say. I criticize this program as one who is very deeply involved in it. I'm committed to it, to the ideal of working out its hopes and what it is supposed to do.

I think we have discovered as we have worked in the poverty program in Los Angeles that several factors are true. First, that even elected officials within the poverty community and surrounding the poverty community must, by the very nature of that establishment, be preoccupied with and (I say this with all respect to our political officials)

¹ See end of Mr. Hervey's testimony, page 99.

must play with rival forces seeking the development of their power and control within the community. They have, therefore, primarily focused on the advancement of that political power, and only secondarily are they free to deal with the issues that community organization needs to deal with.

Secondly, we have discovered a great lack of trust in the relationship of the establishment to the poor. Nobody trusts anybody else, from top to bottom, in the welfare or poverty program, or should you say, from the grass roots to the next level, and so on up the chain to Congress. There is a gigantic network of distrust, so that no one can ever really commit in honesty the kind of human commitments that must be made, indeed, if any program is to be established to help the poor help themselves.

I think this is illustrated in the flow of money from Congress and its appropriations down to the local level. So many people have to be involved in the decision-making process. There is so much political concern that has to go into this that really one wonders if, in fact, this money, starting at the top, filtering down, can never really get into the situation where it can be helpful in helping the people help themselves. To the person who works among and for the ghetto population, community organization has quite another meaning. To him it means the organization of individuals in the ghetto for the purpose of gaining power and control over the institutions which so totally and intimately affect his life.

True Concept of Community Organization

Community organization, I think, in a classical sense has too often meant answering the question, "How can the private and public agencies organize themselves to help poor people?" when, in fact, that's the wrong level. The right level, somehow, must be where the people actually are themselves organized to deal constructively in a community where power and authority are what make things happen. We all know this; we accept this as a legitimate understanding of our political and democratic way of life.

What we are saying, really, is that in the long run, institutions operate to the benefit of those who control them. Again, I say the church is a classical illustration of being in the way of the intent of its founder some 2,000 years ago. Of course there is no other course, human nature being what it is. Therefore, community organization must direct itself to placing the control of significant and powerful institutions in the hands of those whose lives they affect.

I think if we look at the national bodies of our denominations today we would agree they have made a basic commitment to the local-based community organizations in the poverty communities, and are putting time, money, and staff into the development of this. Perhaps one thing we are going to have to come to grips with is that we have not been able to handle the issue, as some express it, of Black Power. I would rather call it, as I understand it, "ghetto affirmation." We, as a total

community, must never give up the total integration of our entire society.

In the meantime, we have to face the realities of a very desperate problem within the ghetto communities. Dr. Kenneth Clark, author of the *The Dark Ghetto*¹ has suggested to us that in the field of education we have learned the Negro or the Mexican-American can no longer—in his words, and I agree with him—“can no longer depend upon the decency of the white man in order to provide quality integrated education for the child.” Therefore, it must be sought, if only within the ghetto itself. I think the dangers of this approach are very obvious to us, but I suggest to you that there is no viable alternative to local-based community organization of poverty residents around issues, by, for and with the people who are involved in those communities.

I think I am as familiar as you, Senator Douglas, with the problems in suburbia—the growing walls that are being built—and we cannot wait for education to take place to solve the issues. Therefore they can only be solved, it seems to me, within the context of the ghetto itself.

Just three brief solutions, or I should say positive thoughts, on how these issues might be worked out.

It seems to me that perhaps we have been learning something from the poverty program and that is, the established way of doing things is not the best way to do them. In spite of the ideal attempts to start community organizations and community action programs, we find in Los Angeles that the establishment can only live out the way it always lives. When they created the poverty program here, the community action program, they combined with the existing establishment and they called it, fittingly, Joint Powers. They created an instrument which made it impossible for them to do the job which, by ideal standards, the community action program is designed to do—to stimulate people to help themselves.

It seems to me that the only solution left is innovation. We must find other than “established answers” to deal with the issues the poverty program has tried to deal with.

I think that another illustration of the establishment is education. We say if we have an educational task we ought to give it to educators. And I say, “No, maybe not,” that maybe they are professionally the ones who cannot do the job under the circumstances. Maybe we have to look to people like I am familiar with in the Westminster Neighborhood House in Watts—mothers who have had a couple of years of training who can do a much better job of teaching, but they don’t have the credentials. The established way is the credentials.

I say we have to throw away the book on some of our established programs and try to get down to solve the real problems. I would offer one suggestion—and that is in the good American way of competition—that in Los Angeles, for instance, the government might decide they would set up a private corporation in competition with the local poverty agencies. It might consist of churchmen and citizens with no other vested interest than helping the people in the community. Give them money

¹ Kenneth Clark, *The Dark Ghetto* (New York:Harper, 1965).

and a task, assignments, without all of the regulations that go along to prohibit the program from being accomplished. This private agency might then in fact organize and have a couple of years to go "do it," and let the agents responsible come back to see what has happened, and see whether or not, in fact, maybe this way is better than the established way of solving the problems.

I would like to suggest also that organizations of local mass-based community groups also might be funded by the Federal Government on a trial basis with certain controls, but not all the regulations, to see whether or not we might be able to do something which the establishment has not been able to do in its tried and true manner. I think it's a very sad thing that because of the problems we have had in the community, we are now even in the poverty program talking about taking the OEO, Office of Economic Opportunity, which has a semblance of possibility, and dividing that down, back into the established agencies. I think this is the reverse of what we should do. I think we should try to do the programs with innovations—throw away the books, and do not do what *we* think must be done, but what really, in the minds of the people, must be done if we are going to have community organization where the people help themselves in the American way of life. Thank you very much for the opportunity.

Excerpts from Prepared Statement by the Reverend William Hervey

[The person in poverty] recognizes that Government, for him, is many times by arbitrary and powerful forces which have no accountability to those they rule. His style of life and the conditions of his living are determined, not by his own autonomy and ability but by the organizations and structures to which he is responsible.

The quality of education received by his family is determined by the Board of Education. The quality of the air he breathes and the water he drinks are determined by an administrative unit of the municipal or county government. The quality of his street lighting, of the streets and sidewalks on which he travels, of the police and fire protection he receives, or the food he may buy, are all determined by administrative bodies over which he has no control, and in which he has little or no voice.

If he is poor, or living in a so-called poverty area, he is the target or client of a large number of other administrative units which exercise concern and control for him. They determine the size and condition of his living quarters, the amount of budget his family shall have for living and, in some cases, the kinds and amounts of purchases he may or may not make, and a host of other things which are normally left to the discretion of an independent and competent citizen.

The institutions we have created to serve the poor for the main part tend to become "total" institutions. They tend to control and dictate almost every aspect of the individual's life. In some cases, public housing authorities have attempted to establish jurisdiction over the individual's personal functioning. They have attempted to impose moral standards upon him; they have been concerned about the manner in which he relates to his neighbors; they have been concerned about his housekeeping habits; they have told him what color his porch shall be; what size and shape his trash can shall be; what kind of decor he will live with.

Welfare departments have also tended to want to become total institutions, dictating to the individual the kinds of morals by which he shall live, the kinds of behavior patterns he shall have and the kinds of acquaintances he shall have. Let me say also, as a member of the church, that in many cases the churches have likewise desired to become total institutions dictating to the individual the style of life and all of its aspects by which he may live.

Specifically, relating this to our topics of community organization and the poverty community, the same theme carries through. All too often, the focus has been for the building of a yet more powerful bureaucracy. These programs of neighborhood action, for the most part, are centered on the concerns of the bureaucracies and not of the neighborhood people. This is a plain fact with which every ghetto person is intimately familiar. Community organization in the classical sense has meant the organization of the administrators and functionaries of the very institutions and bureaucracies which are seen as "establishment"—as oppressive and controlling forces by the poor. Community organization has meant, in the classical sense, strengthening the hand of the bureaucrat and building bridges between him and his fellow bureaucrats.

I think there are obviously many people who sincerely believe that in order for the problems in the community to be solved, programs must be developed for the poor to help themselves. But again, along the way, there are enough people whose motivation is simply riot prevention, keeping the lid on, quieting the community and doing political favors. Really, is there enough steam behind this or any program? Is there anywhere the possibility of designing specific plans for the poor to help themselves?

To the person who works among, and for, the ghetto population, community organization has quite another meaning. To him it means the organizing of the individuals in the ghetto for the purpose of gaining power and control over the institutions which so totally and intimately affect their lives. In one recorded case, a group of non-English speaking neighborhood residents were reacting to a large-scale proposal for manpower development and training funds to train the long-term unemployed. There had been a process of community organization through which the agencies serving that area had been involved in some discussion of the proposal, but there followed another process of community organization in which the residents of the area were involved in looking at the proposal. The proposal was summarized and translated into the language of the people but when they looked at it they were horrified because they saw that the proposal provided for several very negative concepts:

First, there would be a police force included in the grant to protect the workers in the program from the residents in the area.

Second, there would be a sheltered workshop program in which people would be placed and paid well below minimum wages during a time when their attitudes toward work would be changed.

Third, the training program was to be placed in the hands of the existing educational institutions. Members of this resident group began to point out that they had some skills already, but could not be employed.

Therefore, community organization must direct itself to the aim of placing the control of significant and powerful institutions in the hands of those whose lives they affect. We have learned in but a short history of the very serious problems that result from this kind of a commitment. On the other hand, we also know clearly the failures of any other possibilities.

The skills that the urban poor need in order to better participate in the social, civic, and political affairs of the city are the skills of community organization and bureaucratic administration. The poor need to be able to construct and run their own institutions; institutions that will operate to their benefit; institutions which will be responsive to their needs; institutions that will be in every sense their own. (Perhaps, those large numbers of young people who presently have assumed volunteer poverty and are known as "hippies," are demonstrating to us some ways in which this can happen. They have begun to create among themselves new societies, new institutions, and new cultural forms. They have begun to create bureaucracies to administer their concerns and have begun to seek new ways for these bureaucracies to operate.)

Skills in community and social and political organization may be even more important for the ultimate benefit of the poor than those more commonly thought of skills such as the skill of typing or the skill in reading to which we have been giving our attention in the years past.

Finally, the development of noninstitutional housing for the urban poor is one instance in which efforts might be made to lend to the poor power in solving their own problems. Already, efforts are being made in various places on this issue. In Los Angeles, on the east side, a neighborhood community organization is involved in a low-cost housing project designed to preserve the cultural values of the Mexican-American community and to put to creative and productive use the abilities and concerns of the people. Information regarding this effort is readily available.

The crying need of our day is for the Federal, state, county, and local governments to have a greater trust within the organizations of the poor as they seek to gain and to exercise power over institutions and organizations which control their lives and as they seek to unshackle themselves from the multitude of nonlegislative rules and regulations which bind them. The essential question is not one of more programs or ameliorative program methods. The question is one of the shape of our social system and the development of ways to shape it so that the poor are included in the whole society and in control of that portion of the society which directly affects and rules their own lives.

MR. BAKER: Our next speaker is Mrs. Edgar Anspacher.¹ Mrs. Anspacher is an informed citizen who might be called a "volunteer by avocation." I am very pleased to have you with us this morning, Mrs. Anspacher.

STATEMENT BY MARIAM ANSPACHER

MRS. ANSPACHER: Thank you, Mr. Baker. Reverend Hervey is very hard to follow. This happens a great many times. You get something, and some authority precedes you, and then you have to say, "He said my piece." But since I am a volunteer this is not on the professional level. When you sent a résumé of some of your questions that you are concerned with, I considered them, and I did reply in a very brief way, what I felt to be concise answers to some of those questions.

I have a few remarks, first, about neighborhood organizations, which start out with a few people in total agreement. The first item of business is to expand the size and influence. From this point on differences and opinions on the problems and solutions among the informed, the lay people, the professionals, and all other kinds of people become greater than the mutuality of purpose which stimulated the original organization.

Public agencies have the money and power essential for any major program. Private agencies have the flexibility and the right to have intelligent citizens take responsibility for planning a program and changing it as experience accumulates; and reorganizing priorities and expenditures as changes occur—without the tremendous amount of bylaw changes and the time it takes to accomplish these things.

An ideal type of sponsorship for community organization programs would combine the best of public and private, such as public funded, locally administered by the most reliable nonpolitical capable citizens available. In this new type of organization—and I say "new type"—it might be possible to have those in the direct service and those in the policy-making bodies feel a unity of purpose.

¹ Former Board member of the National Federation of Settlements and Neighborhood Centers and the Los Angeles Federation of Settlements and Neighborhood Centers.

It is impossible to assess whether funds are adequate or inadequate unless one can be certain that available funds have been spent wisely, economically, and with sufficient depth of purpose.

The basic problems of communities like Watts can be solved by a series of long-time patient, varied, wise, and sincere programs such as transportation, job training, job opportunity, housing and social services, and all of the things that go with it. But the problems created by those who see every criticism of what is wrong as a passport to destruction rather than an invitation to growth is much more difficult. To find answers we need to remind ourselves that we use persons trained to teach and to train, but the eventual leaders are the trainees themselves. The new leaders will make the unique blueprint for *this* community of communities which make up Los Angeles.

Communicate with the People

Robert Frost said, "Education is the ability to listen to almost anything without losing your temper or self-confidence." I feel one other thing could be added. That is, "How to communicate." We seem to have improved our mechanical living and our medical research, including psychology, but lines of communication break down between ordinary everyday people. (I'm not referring to the professionals.) Since these problems involve everyday living and everyday people, then it's here that the community's case must be concentrated.

Prejudice is mostly not knowing or not understanding—at least that is what we are told. Why is it polite in some areas to eat with a fork and in another to eat with your fingers, and this is not only in the so-called underprivileged areas; this includes everything from asparagus or French endive, or milk in tea. It is difficult to be correct in saying a child isn't capable of learning when the child has had no place to learn.

We sell so many unnecessary products by radio and TV. Why can't we use these media to reach homes to contact and teach essentials that can be reached in no other way? These people are not anti-social or anti-decency. They haven't had a chance to be shown decency. We must at least find a common language that can help all understand. We keep speaking of the dignity of man, but it means nothing to the group you speak to if they don't understand what it is. It's so important that the trainers and teachers let it be known that they are not the leaders but are the makers of leaders. It will take time, but it can be done. Because it has to be done. This is not a one-sided proposition. All must learn to communicate. All of us must learn what hurts and what doesn't. Looking back doesn't help unless you have a strong foundation for a base. Or that you have learned from past mistakes. To teach is to learn that everyone does not want or need the same education. Why then must it be necessary? Training schools, teaching all kinds of skills, should be very simple in the country that has learned to use assembly lines, applied the skill to use them and has no parallel.

Thank you.

MR. BAKER: Thank you, Mrs. Anspacher.

Our next speaker is Dr. J. Alfred Cannon,¹ Assistant Professor of Psychology, Neuropsychiatric Institute, School of Medicine, University of California at Los Angeles. Dr. Cannon has a very impressive list of accomplishments. He has also received numerous awards, one of which was his selection by *Time* magazine as one of the most outstanding Negroes in the United States.

Dr. Cannon.

STATEMENT BY DR. J. ALFRED CANNON

DR. CANNON: Thank you, Mr. Baker. I was unable to prepare a written statement because I have been involved in a number of organizations that have to do with inner-city enhancement; so if I seem derelict in my duty, I was working at another level.

I'd like to use as a take-off—actually the heart of my talk this morning—the centerpiece essay in *Time* magazine of this week in which there is a description of one of the outstanding anthropologists and philosophers of our era. That is Claude Lévi-Strauss and the essay title is “Man’s New Dialogue with Man.”²

I thought it was a beautifully rendered piece, and actually what I would like to do is just to read that piece and then be finished. But I guess I should add some of my own thoughts to it. I would certainly commend this piece to any and everyone. It should be really an overriding principle by which we all live, and it would seem to me that it deals with some of the very fundamental urban problems.

What I'd like to do, since Doctor Strauss is an anthropologist—I would like to make some comparisons with his views of primitive people versus civilized peoples. I think we should call them “so-called primitive peoples” and “so-called civilized peoples.” Even if I don't say it that way, please add that to these terms in your minds. I quote:

A primitive people is not a backward or retarded people; indeed it may possess a genius for invention or action that leaves the achievements of civilized peoples far behind.

And that is the heart and core of the principles that are overriding in Doctor Strauss' approach to a concept in anthropology called “structuralism.”

If that hypothesis is true [the *Time* essayist goes on] then civilization has nothing much to brag about. Modern man does not constitute an end product, an exponential improvement of the aboriginal dowry, an evolutionary intellectual advance. He is merely another mode of human society, coexisting and coequal with the most primitive tribes that have somehow survived, despite seemingly naive and archaic customs, into the space age. The marvelous fruits of contemporary Western culture—technology, medicine, literature, TV, the H-bomb—show an exercise of the mind no more commendable or admirable than the savage's totems and bone beads.

¹ Also Director, Frederick Douglas Community Center and President, Frederick Douglas Community Center Mental Health Clinic; Vice-President, Board of Watts Happening Center.

² *Time*, June 30, 1967, pp. 34–35. The *Time* essayist characterizes Dr. Lévi-Strauss as a social anthropologist, “who has devoted his professional career and seven books to the proposition that, in their potential, all men are intellectually equal.”

It seems that the so-called "savage and civilized cultures together play the same game"; that is, trying to understand how to be in this world, "and play it equally well, despite an enormous variation in the results." The essay goes on to quote Doctor Strauss—and I wish I could really underline this to imprint the words upon our minds—that there is . . .

. . . a universal human desire to organize the chaos of the universe—to attach meaning to things. "The thought we call primitive is founded on this demand for order. This is equally true of all thought." But while all humans apply the same basic code, they can reach dramatically individual and divergent conclusions. The so-called primitive mind, for one example, abhors change. It builds societies designed to repeal history: "what primitive man seeks above all is not truth but coherence; not the scientific distinction between true and false but a vision of the world that will satisfy his soul."

Now Doctor Strauss, in the early stages of his professional career, when he was exploring new, exciting approaches that varied considerably from the traditional stances of the anthropologist, went to South America. The essay relates:

He expected to find primitive and ignorant peoples frozen in cultural patterns, which, like the toys of childhood, civilization had long since put by. Instead, he found his intellectual peers. The Bororo, a naked tribe of the Brazilian interior, introduced him to a concept of life that might have been taken from the most sophisticated human thought. Whenever a native dies, the Bororo believed, "an injury is done not only to those near him but to society as a whole."

In the geometrical face paintings of the Caduveo Indians, Lévi-Strauss recognized not meaningless makeup, but a subtle statement of man's place in the world: "The face paintings confer upon the individual his dignity as a human being: they help him to cross the frontier from nature to culture, and from the 'mindless' animal to the civilized man." He decided that "without any play on words," both the Caduveo and the Bororo could be called in their different ways "learned societies."

It would seem to me, as it does to Lévi-Strauss and others, that the handling of time by so-called uncivilized societies is something that contrasts quite vigorously with that in Western culture. Also the concept of being is stressed: To understand what it means "to be" is in sharp distinction with "to have," which seems to be a kind of overriding principle in Western thought. To conclude my quoting from the essay:

Down the centuries, an extravagant portion of human energy has supported the position that, because of their differences, men are not equal. There is no room for this in Lévi-Strauss's view of humanity. "Respect for others," he writes, "springs spontaneously and naturally in man, long before reasoning and its sophistries come into play." Elsewhere, he maintains that "insofar as man is worthy of respect, it is not just civilized man of today or the future, it is the whole of mankind. Identification with all forms of life, beginning with the most humble—this principle, in a world where overcrowding makes mutual respect more difficult and that much more necessary, is the only one which can permit men to live together. In a cultivated society there can be no excuse for the only real inexpiable crime of man, that of considering himself abidingly or momentarily superior; be it for reasons of race, culture, conquest, service or merely expediency.

Now, I think that there is a very apt comparison between the peoples of the inner city, the poor and minority peoples, with this description of so-called primitive societies. Because I have been involved in the so-called ghetto for some time in some of the organizations that I have been involved in, I guess that one of the things that bothers me most is the

depiction of the ghetto as a place of squalor, ignorance, and evil. Such is not the case. It may be that in the ghetto and in ghetto life we find some of the principles that are needed in this day and age. There is a great beauty in ghetto life. The principle of diversity is something that I think we have lost in American life. Conformity seems to be an over-riding principle.

Positive Aspects of the Ghetto

In my community mental health center that I work in as part of my duties, I have found a richness that I think can teach us much of what the city should contain. In any kind of reformation or redoing of the city, this principle of diversity should be maintained. I find in the ghetto the fact that diverse groups live in close proximity with one another. In the community mental health center that I am involved in, in close proximity we serve a variety of people: a Costa Rican population, a Samoan population, American Indian population, a Mexican-American population, and the Negro American population, and we have just begun to discover the diversity of it. Now, this is a very rich experience to be involved in—approaching these people through their own culture, through their minority-American culture—a kind of mutual learning experience. We find out about the mutual learning experience, not from our mental health professionals—social workers, and psychiatrists, psychologists, and so forth, but we find that the great link is the subprofessional. The subprofessional is a very vital and crucial link—the person from the community who helps to link us with the subcultures that exist within the so-called ghetto.

I find that the principle of being is something that's important there, and we should maintain this because it is something that is missing in the majority of mainstream American life. It would seem to me that we should look at what is happening in these love-ins and be-ins because they are saying something about who we are, and what we are. We shouldn't cast them in the mold of hippies and write them off as truants and people who really don't matter, because I think there is something quite wrong with society.

We think of the ghetto as a place where so much has to be done in terms of helping people up. But I think we can learn much from these people, and involve them by giving them the feeling that they are contributing something to the mainstream—not only being at the receiving end.

I feel that there is a great deal of beauty in the so-called ghetto, and that this beauty ought to be made evident. It ought to be written about. It ought to be extolled in some way. The ghetto shouldn't be something that suburban or mainstream America thinks you take a bulldozer to and wipe out. There is a tremendous and important matter that I think is part of the American principle; that is, America's diversity—a true interracial, multi-cultural, multi-ethnic society. And this is something that is within the ghetto, and it is something that is being lost outside the ghetto.

Now, it's almost become a cliché, something we talk about, to give

many organizations of varying size within the inner city minimal help, mainly money, and permit them to make use of it, though not with the expectancy of fantastic success. We give them some very small lead time to solve problems that have been going on ever since our country's inception. We should allow such organizations an opportunity, with proper funding, to be able to do something of relevance in the inner city.

I won't go into any detail. But I can tell you about such groups as Mothers Anonymous, who carried on their service before the poverty program. They had a beautiful scheme for a child care center, and this was looked upon by most people including most of the professionals as a kind of wild, harebrained scheme of a group of poverty mothers. They never got funds, but this is beautiful evidence of a kind of self-help that is overlooked because these people are the so-called primitives who really don't understand the complexities of modern civilization. And we have to send in professionals to rewrite whatever they do. What happened in this case—and thank God, they didn't even show it to most of the professionals—they kept it in their purses, because they felt that once they turned it over to the professionals it would be rewritten to take the guts out of the original proposal.

I can think of many small organizations which hide knowledge of their approaches to significant problems from a so-called professional. They feel we will steal their ideas, run away with them, and distort or diffuse something of what they feel is a pure approach. There are miles of vignettes I would like to share with you but time doesn't allow.

We should allow in-kind contributions. We should be more generous with funding to the people, to organizations treating severe types of problems that are really symptomatic of many things than those within the ghetto. Most of the Federal programs and most of the foundation programs say there always should be a local contribution, and many times they feel that this should be cash. But many people of the inner city are poor and cannot give cash contributions. A greater emphasis on in-kind contributions would permit the poor to volunteer service, to contribute otherwise than with cash. These would be recognized as a kind of "matching funds." The increase of such in-kind contributions are very crucial and could do much to stimulate local incentive and self-help.

Take, for instance, the Head Start Program. Many local delegates and indigenous agencies are quite stringent because the in-kind contribution now demanded by the Federal Government is 20 percent. Well, there are just thousands and thousands of potential Head Start children to serve, but 20 percent is an enormous in-kind contribution which they are quite frightened of. They don't know how to give this, and it seems to me the Federal Government should be very liberal and actually cut down on the amount of in-kind contributions in certain cases.

I feel that the use of more social scientists from the minority groups is important. I was back at Fisk University and talked with many of the Negro professors there. They feel that, as in many instances in our society, the minority social scientist is virtually overlooked in seeking approaches to problems of the inner city. Negro university professors are beginning to feel that they have something significant to contribute. But most of the

time their statements about problems of minority groups, poor people and so forth are overlooked because the "truth" and the most important statements—the ones printed in the press—come from white social scientists. So Negro professors, especially those in the social sciences, feel that their statements have been virtually ignored.

The anti-poverty program is not a failure. I would certainly agree with Reverend Hervey. But suddenly, it is in trouble and things are blamed on the poverty program. I think Kenneth Clark states why very clearly, when he says, "The community action component of the anti-poverty program is something that's frightened some of the establishment people. And any time you have community action and you want to involve the community in a kind of self-help and a feeling of hope, a feeling of relevance, you are bound to have ferment. That is the context of creative approaches."¹ Because of the community action components of the program all kinds of slices are being taken out of the poverty program. It's being taken apart, put in various other Federal agencies, and it's really beginning to be a less effective organization.

I feel that one of the most brilliant pieces of social legislation ever was the anti-poverty program with its statement saying there shall be maximum feasible involvement of the poor. To me this is an historic statement, and calls for maximum feasible involvement in any and all programs that have to do with the poor. It would be a great mistake to begin to take it apart, put it in various other governmental agencies, to start cutting it down, and to say there's been mismanagement, and all kinds of this, that and the other.

It's done a great deal, a fantastic job, in the two years of its existence. It would seem to me that too many elected officials expect all kinds of miraculous things from it, and when such is not forthcoming we discuss termination and cutting down the program. If this anti-poverty program fails, we have missed a tremendous opportunity, and we just can't afford to miss any more opportunities.

I would say, in conclusion, that if we look at the ghetto, the ghetto is the key to the future of the American city. We can speak about rebuilding the American city, and such is needed. The fact of the matter is that since 75 or 80 percent of our people live within urban areas the future of America is dependent upon the future of the city. The future of the city is dependent upon how we approach the so-called urban ghetto, and the approach should relate to a sensitivity to the people of the urban ghetto. We should realize that diversity is something that we need, that there are different approaches to life, different kinds of values, different approaches to time and to being—as Claude Lévi-Strauss states—different approaches to being in this world. Understanding this world in primitive groups, we see that there are different approaches to being in this world in the inner city. And they are very valid, important kinds of approaches, those that we can learn from, and those that can help to make our country and our Nation a far stronger Nation because it could involve itself in cross-culture kinds of exchange, which means mutual learning.

¹ Clark, *op. cit.*

One of the things that I would hope to see in any rebuilding of this city is to build into it the concept of love. Love has become a kind of catchword. It's something that sells soap and sells automobiles. But I hope that we can rewrite this concept into the building of the city. Love and diversity are two things that have to be related to the future of the American city.

MR. BAKER: Thank you, Dr. Cannon.

Our next speaker is Dr. Lawrence Northwood,¹ Professor of Student Social Work, University of Washington. Dr. Northwood is probably best known as a sociologist. He is the author of the United States Committee Report for the International Conference of Social Welfare. Dr. Northwood.

STATEMENT BY DR. LAWRENCE NORTHWOOD

Thank you. My remarks will be brief, because I think it is very important for commissions like this to listen to the questions of the people who are here with axes to grind. This is because by listening to people you see where the problems are, and then maybe you can carry the message on.

My report is organized in the following way. First of all, I have some written statements prepared for the staff and the Commission. These include a couple of my papers which seem relevant to this Commission's work, together with five statements that were prepared especially for the Commission by my colleagues in the social work community. I will comment first, on some of the points that appear in these statements.² I want to give you an overview of what these are about. First of all, my own work is concerned with housing, urban development, and processes associated with residential transition: home finding, moving in, getting established, the management of neighborhood crises, the control and prevention of urban problems-conditions.

Prof. William Berleman,³ the author of one of the statements, is concerned with disadvantaged youth. He proposes the drastic revision of school curricula and a concentration of new and expanded health and welfare services around the public school, with a more direct involvement of parents in these activities. It sounds as though he and Reverend Hervey collaborated—they are very much alike in their concern for expanded schools and services and changes in curriculum.

Prof. Arthur Farber⁴ is an expert on social problems of the aging. His paper deals with ways in which services can be improved by working with the aging in their own homes rather than uprooting them from familiar environments and, in fact, sending them to death by isolation and poor treatment in inadequate nursing homes and high wall facilities.

¹ Fellow of the American Sociological Association. Special interest, the deterioration of inner cities. Author of *Urban Desegregation: Negro Pioneers and their White Neighbors* (Seattle: University of Washington Press, 1965).

² These statements were placed in the Commission's files for use in its research efforts.

³ Assistant Professor, School of Social Work, University of Washington.

⁴ Associate Professor, School of Social Work, University of Washington.

Mrs. Mildred Reed,¹ the third person, is a director of the Seattle Day Care Agency. She has had a great deal of experience in working with mothers and others concerned with her programs. She points out some ways in which day-care, homemaking and family social services can be organized in the home neighborhoods, using available manpower together with professional and technical assistance service.

There are statements by Ted Teather² and Prof. James Herrick³ of a different order. Professor Teather has most recently worked in job corps centers and community action programs under the OEO. He has trained subprofessional or indigenous personnel. He questions whether the traditional agencies are prepared to accept these newly trained workers when they have finished their course of training. Professor Teather calls for staff development programs in established agencies, so that they will be ready, willing, and able to integrate the subprofessional workers into the agency. It's not sufficient to train; one must also cut through the encrusted bureaucracy, public and private, to incorporate the new workers.

Professor Herrick in his comments reinforces my own views—my first point—that there is a great need for planned development of a program for determining the cause and cure of suburban social problems, and for the proper utilization of skilled and unskilled social welfare manpower. Without such planned development there will be wastage and unnecessary proliferation of programs and an inadequate eradication of problem-conditions.

Self-help v. Mutual Aid

The second point I would like to make pertains to limitations of the self-help concept. This is usually viewed as the attempt to improve one's own abilities to hold a job and to become economically self-sufficient. Considering self-help from this narrow economic point of view I would say this is not a very effective means of solving the big intransigent problems of cities which are rooted in profit, racial prejudice, and slum conditions.

It's true that every day there are some people who are able to pull themselves up by the bootstraps, who are able to rise out of the ghettos of the cities. Unfortunately, there are other people who are being sucked into the ghetto. On balance we seem to be losing ground in combating the big urban problems, the problem of ghettos and slums. For example, during the past decade there has been dramatic growth in the number of Negroes and other minorities who are being absorbed into the central city ghettos. We can talk about the white noose surrounding the black throat in describing the central city and the suburban areas. We have seen that the population of slum areas of the cities gradually has increased to the point where there are more families and children living in urban slums than on farms in the United States. It's kind of a shocking statistic!

¹ Executive Director, Seattle Day Nursery Association.

² Edward C. Teather, Assistant Professor, School of Social Work, University of Washington.

³ Associate Professor, School of Social Work, University of Washington.

Despite a decade of prosperity we have also seen the continuation of millions of families, about a quarter of the Nation, living in abject poverty. Now economic self-help in its narrowest sense is not solving these big problems, and we can't expect it to. People just do not, or are not able to, solve these problems.

I have a very interesting clipping from the newspaper columnist Clayton Frisch in which he quotes White House Special Assistant Joseph Califano, who apparently has been responsible for studying the 7 million Americans on welfare. From Califano's analysis, he found that less than 1 percent of the men on welfare are capable of being given job skills and training that will make them self-sufficient. He goes on into the composition of public welfare caseloads which show that self-help in its simple economic sense is not going to solve the problems of cities.

This leads me to a redefinition of self-help as a practice which is more within the framework of neighborhood-based social work, and which would seem to be a more fruitful approach to urban social problems. Let's stop talking simply of self-help, and turn to a program of mutual aid.

A mutual aid program is one in which professional services are combined with citizen participation; where policy, planning, and structure of the agency are determined jointly by the professional workers and the citizens; where the implementation is advanced jointly. It's not a system where professional workers are godlike experts or members of a higher caste, or custodians; it is not a system that views clients as hopeless dependents or pitiful suppliants or hard-core problems. The mutual aid program is one where there is a division of labor according to the tasks of the organization and the personal capabilities of the participants. All the participants in the mutual aid association ideally should view themselves as organizers who have a stake in the outcome of the organization as well as a desire to help others. I like the point that was made about leadership building, because these participants are going to be the leaders of the central cities certainly. We have to think of people in these terms, not as hard-core problems or sick, but as potential leaders.

If these elements of mutual aid are incorporated with the strategy of self-help, then there is almost unlimited potential for the method in dealing with urban social problems, and in their solution and prevention.

If you would like a fancy term for the combination of self-help and mutual aid you might call it "the small area approach" as I have done in one of my papers.

The "Small Area Approach"

Here are some of the reasons for a "small area approach" that are persuasive to social workers:

There are not enough trained professional workers to solve urban problems by themselves. Whether it is social workers or whatever, we have to augment our manpower. This is a prime reason for self-help and mutual aid.

Further, participation is often a necessary part of the service program.

The urban renewal programs supposedly were dependent on citizen participation in order to bring about conservation. There is no conservation program without both mutual aid and self-help; you've got no alternative. The same thing relates to training, education, and help. You've got to have self-help and mutual aid, working conjunctively with the technical and professional assistance.

In addition, participation in programs increases the motivation of those who participate. Greater efforts are stimulated. We hear many times about how tough kids in the slums—Negroes and others—through self-help and mutual aid, increase their feeling of self-esteem and accomplishment. This is important if we are going to motivate people to help themselves and work with others in doing this. We need leadership for the future. I think these are reasons why we have to deal with self-help and mutual aid.

My third point deals with fiscal development and social development.

The Government, for the past six or eight years at least, has argued that fiscal development programs are not sufficient for the renewal of urban areas. And that we have to introduce all kinds of programs to turn fiscal development programs into social development programs. In fact, the Government has set up all kinds of procedures for involving citizenry in these efforts. However, these procedures, by and large, are sidestepped, passed over, underused, improperly scheduled, or ignored. I can document that citizen participation in the urban development program seldom occurs until the point when the Government wants to move people. It's *not* before this.

I am talking about the small citizen. At the top policy-making level, the Government may involve citizens, but frequently it's the staff that does the work. (I understand that this isn't true of this Commission. A staff member was telling me that this is a working Commission which has been in the field six or seven times in the last month.)

The vital point I am making is that fiscal development and urban development plans, to be successful, must combine with a social development program. Teeth are put into the program so that there is not just voluntary compliance on the things we need, but a real assurance of followup. For example, I say that we need such programs as rent control and adequate housing codes, enforced in terms of open housing provisions in the urban renewal legislation, which say that every city has to have a committee to assess the long-run desegregation impact of the urban renewal program.

I did a study of that some time ago in some 50 cities. Not a single city had set up a commission that looked at desegregation of the city from a long-term point of view.

What we have is a continued worsening of urban problems and conditions with present provisions insufficiently implemented. I want to make some specific proposals with respect to programs that involve the small area approach.

Currently, the Federal Government is spending time and money in building up programs based on public welfare agencies; that is, around stigmatized agencies where to be a client means you are kind of inferior

and inadequate. I think we need to take a new look at this.

We need to build our social welfare programs, and strengthen them, in connection with the institutions that are used by all, and where a person normally goes for help.

The normal and natural place to build welfare services, a place with a "captive" population from ages 6 to 16, is the public schools. Let me read some of Professor Berleman's very caustic comments about the inadequacies of the school programs as they are and how they might be improved. This is a man who has had a lot of experience in schools. He says:

Current modes of teaching and course conducting are not adequate. Educators should decide what is the fundamental core of child educational needs. Teaching of these courses should be done along lines that psychological experiments suggest can engage the child and make him achieve. ["We don't do it that way," said Northwood.] One way is through operative conditioning.

Somebody is going to object to that. That means rewards are given for the accomplishment of a specific task. This conflicts with middle-class notions that education will pay off some day. Quoting again:

Later the subject matter should be structured into games which the children play to win. This is in contrast to the middle-class notion that education is an abstraction and that work that is hard is good.

Automated programmed subject material should be used; that is each child advances at his own pace through associations with a machine program. This contrasts with the notion that an entire class should advance in lock step and the devil take the hindmost.

Beyond the core curriculum is the need to introduce subjects into the school which will enhance the child's social functioning. The need to socialize the lower-class child is evident. Constantly we should introduce courses which have to do with projects involving role playing. That is, scripts should be devised which children act out, through which they learn the appropriate social responses to given situations.

The need for those lower class social roles to understand and appreciate the social roles of others is also evident. A number of social gains already exist in which the children assume the roles of the senator, policeman, or parents. The beauty of these games is that the child is assigned to play another role. The child has come to defend the role in which he is cast. He can best defend if he is learning something about the role constantly. He is more motivated to do homework in order to understand the role that he is playing.

We have ignored the process of recreation, and how many more, how many disadvantaged parents, would like to see their children in a favorable light, just as most parents today?

School people who complain that they never see the disadvantaged parent usually fail to recognize that they generally call parents in to tell them when their children are failing or causing trouble. However, from my experience, when a school permits a genuine show and those stipulations about grade being a selection factor wherein the children can perform in a positive way for parents, the school has very good impact with the adults.

He goes on with a whole variety of ways in which the parent can understand the purpose of the school through social workers, and perhaps visiting teachers. Steps can be taken to work with the parent to increase and better the educational opportunities for the student.

There is quite a bit on this that you can read in Professor Berleman's statement. What I picked out sounded almost like Pavlov and his dog in conditioned reflex. It certainly isn't meant in that sense, but is aimed

at making our education function more for life itself.

Let me make two more points before closing.

I agree thoroughly with the previous speakers who have emphasized the value of the neighborhood social service center as an important place where people can work together in connection with their own problems, in which they serve as organizers, sometimes even in opposition to government itself. Wherever you get gripes you are going to get opposition. To allow people a chance for this expression and organization in the ways in which they solve their problems is a healthy process.

I am sorry I don't have time to deal adequately with urban desegregation. I think there ought to be a metropolitan fair housing service set up in every city. The metropolitan fair housing service ought to have as its job the improvement of conditions in the ghettos, as we are doing, but also the job of opening the city for residency wherever the people want to move.

It's a difficult matter to help desegregation to occur—or to encourage integration. Maybe some of the Commission members would agree strongly with me. I would be glad to go into this. This is a difficult process, and it needs special efforts.

A fair housing service might also deal with the special problems of long-distance and short-distance migrants by granting them travelers aid. Such services now are entirely inadequate, although the Government has a positive manpower program for workers moving across the country from one place to another. We should know how people can best learn about jobs, and how they can best move to the new community and get relocated.

With poverty continuing in depressed areas, and emerging in rural areas, we need a big relocation program that might be managed through a metropolitan housing center. At the present time housing organizations are fragmented and programs are provided in many ways by special agencies.

I am going to terminate with a plea for action now on these problems. That's why the Commission work is so important. Every time I see the large budgets for Vietnam I think of how much better the money could be used in our own community to solve the basic problems of the ghetto and of poor people in general, and to prevent the worsening of the city for the total metropolitan population.

I hope that this Commission will be strong in its recommendations to the President and its final report in asking a proper allocation of the Nation's budget to deal with the problems of social living.

MR. BAKER: Thank you, Mr. Northwood. The papers by your colleagues are gratefully received for our study and will be incorporated in the Commission records.

Our next speaker is Mr. Ignacio Aguilar.¹ He has been very active in directorships of many organizations—youth organizations and social or-

¹ President, Los Angeles Federation of Settlements and Neighborhood Centers; Executive Director, El Calvario Community Center.

ganizations—and has served on boards as a director in a leadership position, forming organizations, operating many youth centers and international centers. Mr. Aguilar.

STATEMENT BY IGNACIO AGUILAR

MR. AGUILAR: Thank you, Mr. Chairman, members of the Commission on Urban Problems.

I appear before you this morning, first, as executive director of a private agency administering social welfare services to a community where the social needs of the people are many and the services, both secular and nonsecular, are very meager.

Secondly, I speak to you as a concerned human being. My personal involvement in the field of social welfare and the Government's war on poverty has put me in the mainstream of political controversy, perplexed administrative instructions, and bewilderment of poor people who have been put in this category by the Government. It appears many are taking advantage of social institutions to secure high-paying jobs and positions of importance that do not benefit the poor at all.

Settlement Houses in Trouble

The private agency, the forerunner of many social services in this country—primarily settlement houses—has been caught in this chaos. We find it difficult to redefine our role, which at one time was very simple and clear: To be concerned with human needs.

You ask if private or public agencies are better suited to sponsor community organizations. For about 70 years settlement houses have been involved in community organizations at the grass roots level, speaking to people as neighbors in a language they understand. For this reason I believe that private agencies are best suited to implement community organization programs. We have the trained staff, the location, the experience, and the motivation, but—most important—our neighbors already know by experience what we stand for, and consequently trust us.

Next you ask, have funds been adequate for such programs in the past? We know that in any enterprise there is always need for improvement and expansion, but adequate funds have been unavailable to the private agency to expand services needed. Since the inception of the war on poverty it has become even more difficult for the private agency to retain experienced and qualified staff due to the fact that the Government programs are paying salaries which are nearly double those of equivalent jobs in the private agency.

As an example, a coordinator to the Teen Post—a Federal program in the County of Los Angeles—receives a salary of \$800 per month. Education and experience requirements: a Bachelor of Arts degree from an accredited college or university school of social work, and at least one year of full-time work experience as a social worker, teacher, counselor, vocational director, and so forth; or completion of at least two years full-time college course work, 60 units minimum, with a degree, and a point average of "C" or better, and at least four years' full-time paid work

experience in social welfare.

As a contrast, in the private agency a social group worker, Grade 1, receives a maximum salary of \$703 or a minimum of \$563 per month. Education and experience: Master's degree from an accredited school of social work and at least two years of experience, full-time, as a social worker, under professional supervision.

In addition, the private agency is finding it more difficult to find private funds because of the general attitude of many people who are saying, "Let the Government do it. We are already paying too many taxes."

Since this implies a bleak future for the private agency, it seems to me that if things continue in this same manner we have to follow one of two avenues: either close up and get out of business; or let the Government take over.

I will conclude my remarks as follows. I am not going to discuss again the social problems that have been discussed here this morning, but it seems to me that the private agency is at a very crucial time. We are facing problems of the community which are known to you. We have been waging the poverty war long before the war on poverty became a popular scheme. We have joined hands with the Government and expect the Government to become a little bit more flexible, so that we in turn can continue with our already proven philosophy. With our flexibility in the community centers and settlement houses, we can modify the programs according to the needs that emerge.

So many needs happen hour by hour that we need to be open, not only from 9 to 5 o'clock but from 9 a.m. to 9 p.m. These are the times when critical problems occur in communities. The problems of people do not happen on a set schedule.

So, it seems to me that we in the settlement movement are at a very critical stage. Either we remain in business at the level of the people we serve or we are just going to have to get out.

Thank you.

MR. BAKER: Thank you, Mr. Aguilar.

Our next speaker is Mrs. Vera Lopez.¹ Mrs. Lopez is the Chairman of the Ramona Citizens Improvement Council. She is a member of the Ramona Gardens Police Relations Committee, the Recreation Committee, the Education Committee, the Health Committee, and the Survey Committee. She is an aide for the Los Angeles Community Development project. She is a director of the United Community Effort, Inc. She is the editor of the *Ramona Gardens Newsletter*, and has participated in the training and orientation programs for the professional social workers of the social service department of the County of Los Angeles.

Mrs. Lopez.

STATEMENT BY MRS. VERA LOPEZ

MRS. LOPEZ: Thank you. I am a resident of Ramona Gardens, and I am a welfare recipient looking at social work. We don't agree on a lot

¹ Public housing tenant.

of things. Well, anyway I think they answered my questions. Most of them they had in their papers, but about some of them I do not think anybody knows more than I do, because I live right in the project.

A lot of things came out that I was thinking of. For instance, Mr. Spray said that we were living on concrete floors. That's true, although I've got tile now, and we had to go to him too. We had to get a committee together and go, but I want to tell you about our council.

Our council started with just some women getting together. We said, "We are going to get together and see what we can do for the neighborhood," because we didn't have no recreation, no tile, no lights—well, anyway, that's why we started. But we couldn't do it by ourselves, so we sent one of the women down to the poverty programs that they have and we asked them if they could bring an agency to our neighborhood. And they did. And since then this agency has been helping us.

For instance, I need professional help. I don't have any education like you have. I mean I just needed something, somebody, to help me. Anyway, I have this man, he's my advisor, and for anything I want—for instance, for my newsletter. I am not going to say I did it all by myself. I need professional help.

A Welfare Recipient Looks at Public Agencies

But there was another question asking us if we prefer a public agency or a private agency. I do not like public agencies. Just for one reason, because you go by a number over there. For instance, like in our office—people come in and you communicate with each other. But if you go to the B.P.A. [Bureau of Public Assistance] office you have to wait two hours in line getting a number, and by the time they call you it's noon, even if you go in at 8 o'clock. This is one of the reasons I don't agree with the public agencies, and they give you the runaround and all this jazz. I am not saying nothing against the public agency, you know, they are pretty good.

But here's another one. They have the parole agent coming in, and he comes in and he talks to the boys. We are so bad there that when the parole officer comes he has to get the town hall or borrow the parish hall so he can go in and meet with the boys.

I don't know, I don't understand some of this poverty program. I am going to tell you—like this lady said right now—about the poverty program. And I am going to say it too. I think the money is going in salaries.

I want to give an example. Our coordinator, he went to college eight years. He struggled and all that jazz, and he gets \$800 a month. You go to the poverty program and that man gets \$1,600 a month. I don't think he had the degrees the other educated man has, or the experience. When they ask me about the poverty programs I always tell them the negative. I do not care what they like, I tell them.

Like yesterday, he told me to be quiet—they are always telling me to be quiet, because they know me—what I think about the programs they have, you know, like this Adult Training Program. I am not going to

say the word I said, but I am going to tell you one thing. I don't think they serve the people the way they should. I sent people over there. I don't get paid for none of this stuff. I do volunteer work, and I sent the people over there and they treated them bad. You know what they told one lady? She went in to get—all she wanted was—electronic assembly training, and she was from Arizona. She came here for education because education is cheaper here in Los Angeles, and she said, "Maybe this poverty program can help me. I want to go in and see if I can get some training." And she went in to the counselor and all this jazz, and the counselor said, "We can't give you the training," and she added, "Why don't you just tag along until you are eligible for B.P.A.?" I think that was wrong.

She told me what happened, so I went down to that office and I told them, and I even gave the name of the counselor that said it, and I know she got fired for saying it. That is what I don't like about all these programs. One of them is that I don't think it's going to people it should go to. You know what I mean? We live in the projects. We live in a poor neighborhood. We struggle. Well, we are poor. I don't think my income is over \$300, you know what I mean, a month. But I've always been one of those citizens that started to vote. I like to campaign, that's how I started to meet the people. First, I started when we moved in the project. I didn't know any agency, so I started by getting Democrat Clubs together and getting the people to campaign and all this, and going against the other—telling lies—about the other guys. That's the way it started, right there, and I don't want to live in the projects all the time. I want to move out, but you know, we have an agency right now.

I am going to tell about this. We have an agency there in Ramona Gardens. We have social workers, and we have psychiatrists, and we are going there. There is only one thing I like about that agency, that they get all the people involved. They get people like me and the other people. They get all kinds of people involved.

A few weeks ago we had a tragedy there. There were some race problems and they were killing each other and all this, so what we did, we stayed out with the boys. We didn't take sides. We just went, and you know, one time we went on one side and we told them to cool it off and go home, and another hour the other side. You know, this is one thing I like about our help in the project. Those men weren't getting paid for it. Those men stayed there until 3 or 4 o'clock in the morning until they took every boy home, you know. I think those community programs, I think what they have to do is go straight to the people, not way up over here, not on the top. They don't know what's going on. Go to my neighborhood and see. It's the best thing. I don't live far from here. If you want to go I will take you right now.

And all these people, all this jazz, they come over here and say, "What do you like?" They were going to take our program out when we were just getting started and trying, you know, to organize people to go and fight City Hall, trying to get our recreation. And they told us, "Well, we are going to leave."

So I went down to the E.Y.O.A. [Economic and Youth Opportunity

Agency] and appealed for some money, which we weren't getting, to see if they could fund us all over again. I am getting paid \$25 a month, and I did it; but you know, I do not do it because I like to get in other people's business. I do it because I think I like to help the people, you know what I mean, they are smart. There are a lot of people on welfare, and they are very smart. Where I live I think 75 percent of the people are on welfare and some of those people there are very smart. But sometimes they need a little push, you know what I mean, and a lot of agencies went to the project.

I tell you one thing what happens, a lot of the agencies went to our project and said, "Well, we are going to give you this. We are going to give you that." So, they were paying those people to go to meetings. That's what really got me mad. They were paying people five dollars an hour to go to meetings, just so they can learn how to spend their money. Heck, I know how to spend my money. I had a girl friend that went over there, and she got a \$30 check and she said, "Now I know what they are doing in a poverty program—they are giving the money away." But I don't think this was how to do it. I don't think you have to pay people to go. People will go by themselves and you have different approaches, different ways in getting people involved. We had a pretty good turnout in our neighborhood.

We have problems too. It's hard to get people to go out to meetings. We push and go from house to house. Even in our PTA we go door-to-door and knock on doors and I said, "Don't be dumb. There are so many programs going on and you don't even take advantage of it. I did."

I took advantage. I just got my diploma yesterday from electronics and I am going to go to work pretty soon, in two weeks or two months. But that's one thing a lot of these programs don't do—they don't go straight to the people.

For instance I don't think public social agencies go straight to the people. They only go to see me every two weeks, every three months, and I don't think they come in the way they should either. Then the private agency—it's there—and you might not get anything when you go over there. I don't think I got anything from the private agency where I work. I asked for a bed and I still ain't got it, but one of these days I will.

And let me answer another question. They ask what is leadership in your neighborhood? I think that if people, like in a private agency, could go straight to the neighborhood, they can find a lot of good leaders, but they don't want to give people a chance.

Where I work they gave me a chance and I took it. And there are other people. We have around ten persons that have been getting involved. I take them right to all these programs—and tell them, "If you want this, take advantage of these programs." But some of these guys don't do it; some of these other service agencies, all they do is give them the runaround. I don't like all these runarounds they have been giving the people in all this adult program. I do not think they do the right things.

I hope they don't shoot me someplace. You know, that's one of my gripes I have with these programs; so I'm hoping they leave the private

agencies stay in my neighborhood. In my newsletter I am teaching another girl now how to do the layout, you know, how to do all that. I am planning to leave that agency in two years—you have to better yourself—so I want to go to work now, steady. I went from house to house and I got a girl that had good qualifications and now she is taking my place after I leave. I think this is all I have to say.

MR. BAKER: Thank you, Mrs. Lopez. You have a group of determined ladies with a purpose. I certainly hope you are on our side.

MRS. LOPEZ: Well, I said my own point of view because I live there.

MR. BAKER: The Commission would like to recognize the tremendous effort of Mrs. Isabel Clark, a director of the Los Angeles Area Federation of Settlements and Neighborhood Centers, for her assistance in planning this morning's session. To her our heartfelt appreciation.

It is the Commission's policy now to ask questions of the panelists. Senator Douglas?

QUESTIONS BY COMMISSION MEMBERS

MR. DOUGLAS: *Thank you.*

I would like to ask the panelists this question: What specific suggestions for self-help projects do you have? Child care centers have been mentioned and centers like we have just heard about. What other specific projects?

MRS. LOPEZ: I have a couple of kids and I take them to the Child Center and I think that's good. It's like a nursery, and if it wasn't for the nursery I would not have gone to school and I would not be running around the place all the time.

MR. DOUGLAS: *Any other suggestions?*

MR. AGUILAR: Along the line of preschool programs—the like of Head Start and parts of Adult Education programs which include children—they are for children who fit a particular qualification or category. We leave out a lot of children whose family's income is over \$4,000.

The only opportunity for them is in the Adult Education, Parent and Children Observation Program. But here the requirement is that the mother needs to attend school with the child all morning. Knowing the problems of the communities such as Mrs. Lopez has described, the families are large, and the mother has a full-time job from the time she gets up to the time that the sun goes down; therefore the mother is not able to attend the Adult Education programs.

Now, what happens to these children? They are deprived of both Head Start or Adult Education programs. Here, we find that the private agency is the only one that is providing some sort of a program for these children. However, we find it very difficult to have adequate facilities, adequate staff, and the financing to bring these programs to these communities.

In my particular agency we have no Head Start, but it's held close by in a school; they have in all 25 children in the program. In our own agency we make our facilities available to Adult Education for their own program. They have 12 children involved in this program. Then the Center itself provides the other program for the ones that don't fit these

two categories. We have 70 children involved in the program, and no budget for it. It seems to me that the Government needs to do something about this situation so that we can provide services with adequate staff and adequate finances for this group that is being neglected. There is at present no program at all for this group.

MR. DOUGLAS: *In other words, you would pay for a universal Head Start Program?*

MR. AGUILAR: That's right. There should not be any qualifications other than that programs should be available to the community just based on need.

MR. DOUGLAS: *Any others who wish to comment?*

MRS. ANSPACHER: There are so many more qualified to answer, but I want to say that the thing that has worried me for many years—and I mean many years—is the lack of communication. It isn't that people don't talk a lot. It's just that they don't say anything that people understand although they are using words. This is a problem whether they are public or private agencies, professionals or volunteers who have been around professionals a long time—and I include myself. Looking at it objectively or subjectively, I find myself saying, "That's a hard core case."

Yesterday afternoon I listened, and one of the gentlemen sitting there said, "I don't know what is being talked at the table." And he is absolutely right and this is why.

Something must be done to make qualified people remember what they used to know. This is the only way I can say it and say it succinctly.

MR. DOUGLAS: *You want to form a society for the elimination of scientific and social-work jargon?*

MRS. ANSPACHER: I think they should speak to each other professionally, but they should learn to speak to others so they can be understood. I think a great deal of our misunderstanding in our agencies—and I have worked in agencies for nearly 40 years—has been one of the greatest drawbacks in the world.

MR. DOUGLAS: *Mr. Chairman, I should like to move that no one should say words of more than three syllables.*

MRS. ANSPACHER: But I can listen to Dr. Cannon for a long time.

Citizen Advice Bureaus in Neighborhoods

MR. DOUGLAS: *Any other suggestions?*

MR. NORTHWOOD: Yes. I think that these comments that have been made about bureaucratic social work are very true and that a definite program should be instituted to broaden and strengthen neighborhood centers and citizen advice bureaus.

A very good study of this is entitled *Neighborhood Information Centers*.¹ Here are some of the things a neighborhood information center should do. It should have walk-in centers where information can be provided to anybody about their entitlements. There should be expert

¹ Alfred Kahn, *Neighborhood Information Centers: A Study and Some Proposals* (New York: Columbia University School of Social Work, 1966).

counseling services and legal aid services so if somebody is getting the run-around from the bureaucracy they would get some legal help. And that help should be not just from lawyers, but from others. The neighborhood service center should have a publication advertising the program. In other words, publicize the services and eligibilities of people.

Moreover, such a citizen advice bureau or neighborhood-based service should have an organizer's approach. These organizers are not just the professional social workers, but also the citizens in the area. The social worker should be an adjunct to the people who are living in the neighborhood; that's a leader development kind of arrangement. This is a proposal for more funds, more support for broadened neighborhood citizen advice bureaus.

May I make two others?

MR. DOUGLAS: *Yes.*

MR. NORTHWOOD: I also want to strengthen the idea of a citywide metropolitan fair housing program with a whole range of housing services. Nowadays the services are broken up among a wide variety of agencies, and I think we are going to have to deal with the problems of mobility in housing, and especially of open housing, and of particular areas like skid rows and others. We need much help. It may be that the Federal Government ought to try to filter its money not just through the public sectors but also through the private sectors, working always in connection with representatives of the poor, so that these poor are not just managed by social agency bureaucrats and businessman types.

I am not just being negative about established agencies. I think there are solutions to urban problems being found by people as they organize the work in their own communities.

We have inadequately exchanged knowledge about research, evaluation, demonstrations, and innovations that work throughout the country. I think this has to be entered into in a massive way so we can exchange information and learn. The scattered shots and saturation bombing of services are not very good, and they create more damage than well-focused programs.

MR. DOUGLAS: *Mr. Hervey?*

MR. HERVEY: Mr. Chairman, soon after the Watts situation two years ago a group of young Negroes proposed that Watts ought to be incorporated, so they could elect their own officials. We have other problems here, but I think that what they were trying to say is the important thing we ought to program for, and that is controlling their own institutions.

Dr. Cannon has illustrated, and I think all are agreed, that the manpower, the brain power, the creative power, the human patience, sensitivity, and love are overflowing. There has been so little time for any opportunities for anything else. It's theirs, it's real, and it can happen, and it's legal. I think that while the recent Community Alert Patrol was very controversial (and I don't want to speak on the pros or cons) it seems to me this kind of thing was innovative or creative. Whether it was right or not I am not sure, but it was the kind of thing that has got to be programmed carefully and strongly within our communities.

These are innovations that break all the way through the red tape,

all the way from top to bottom, to deal with an issue. I think there is a program that could be funded around the issue of education, a community-based group—not the educators, not the compensatory educational monies, but the people in the community with all this great power and possibility.

We ought to devise a program to upgrade the professional, to open the doors of the professional and let them in, to function and to be paid for their responsible functioning as counselors and teachers, because they often have so much more human sensitivity than men who are trained to do this.

And finally, I would recommend a program of welfare humanization. I can't articulate it any better than a hundred mothers who marched yesterday in our town with the demand to our welfare system in this State which was simply beautiful. They said, "Let's humanize the system by which the establishment works with us," not to disestablish, and I would recognize these are the kinds of programs that must be innovations and breakthroughs in terms of the way they normally do things.

MR. DOUGLAS: *I am surprised that no one has mentioned credit unions.*

MRS. ANSPACHER: Well, the only thing I had to do with credit unions I was very unhappy about. This was quite a few years ago, and I guess being burned I didn't go back. It had to do with the kind of agencies I dealt with. I couldn't understand, when they were preaching one thing, why they were not doing the job they were supposed to do. But I think maybe things have changed, so I felt I was not qualified to speak on that.

But there is one thing I left out, if I may have one second to say it. I think we must do some advertising. People do not know where to go for aid.

We have 350,000 people coming into this State, and I don't know how many hundreds of thousands are down in spots that are not getting aid because they don't know where to go for it. Now this to me is important. If they put it on the front page of every newspaper, it means nothing if they can't read. But I think they should put the story on television and radio that go into homes—because most people have one or the other.

If you need help, the word "charity" has become unfortunately something it was never meant to be. It will have to go back to the Bible and stay there because people don't like the word "charity." What they want is to get help and then be able to do what they want to do. Therefore, use your radios, use your TV's. Use spot announcements. I don't care what you use. It doesn't have to say this is the Government doing it. If you would like to ask questions of yourself, and how to do it, I think this is the place to go to. Because if they can't read they can listen, and I think it is the communications we all need. Some of the things they understand and some they don't.

If we do not learn to communicate with our fellow beings we are just going to have to start all over again.

MR. DOUGLAS: *I remind you that the word "communication" has four syllables.*

MRS. ANSPACHER: I didn't limit myself.

MR. DOUGLAS: *You did.*

MR. WOODBURY: *I have one general question, perhaps to everyone on the panel.*

Dr. Cannon makes a moving statement about the variety and richness, and so forth, of ghetto life. I think this is an angle, a way of looking at urban life that is needed. On the other hand, many people, of course, seem dedicated to the proposition that ghetto life is one of the great disgraces of our civilization, and it ought to be the objective of public policy to break up ghetto life. My question is: Is there some sort of deep-seated antipathy between these ideas? Can we do both or are they self-contradictory objectives?

Retain the Best of the Ghetto

DR. CANNON: I think that this is one of the great challenges that we all have, and I think that the crisis of the American city allows us to do something very creatively in planning. One of the most exciting conferences I have ever been in was where diverse groups of people talked about what the city can and should be; in this conference were architects, ministers, planners, citizens—a whole variety of people—and we were sort of dreaming about what the city could be.

I think that there are certain elements in ghetto life that should be recognized and preserved. And at the same time there are some difficulties that should be eliminated. Now, this is a kind of an idealistic statement. And I don't have any, you know, one, two, three, four, five solutions. But I think, in principle, one may endorse this because the approaches are not in contradiction to one another: that is, the elimination of certain difficulties along with the preservation of certain ideals, certain values, and certain ways of living.

It seems to me that the city of old was where a young man came to find out what life was about. This was a place where you could become anonymous, where you could sample and taste different ways and approaches of life, where you could meet different people. That's part of the mystique and beauty of a city. It seems to me that some of our urban renewal and redevelopment people would like to clean it out and build these cracker-boxes that are glass and concrete and brick, with very few parks and trees, and no kind of richness of life.

MR. HERVEY: It seems to me that history has made of the ghetto an entity. You know in our history how this all happened. Nonetheless it is the given: the great blocks of humans that are living together with a common concern, the case in Los Angeles being where we have two major elements—Negro and Mexican-American.

What the civil rights movement tried to do, as Kenneth Clark says, was to integrate society. He said that 12 years ago. He's not saying that any more, because that has not happened.

The lines have hardened. We have to live with the reality of the given. The given is that we do have these two ghettos, and that the spokesmen for Black or Mexican Power, as they are calling it today, are simply saying that we have nobody else who will affirm us so we must

affirm what we are and who we are. And therefore, it seems to me at least, in this historical period, we have to go along and affirm. We have to fight the breakup of the ghettos in a certain sense. We have to help to build "responsible power" because they are entities, and we also build strength into given entities. We are stuck with it historically because we have made it that way.

MR. NORTHWOOD: I also have to comment on this.

It seems to me that we have to separate out the slum aspects of the diversified locality that is called the ghetto from the other aspects. I think any residential neighborhood should be amenable to comfortable, healthy, and pleasant living, and to diversified income brackets, and should be safe and sanitary. These aspects of the ghetto should be reconstituted. That, I think, is the important thing.

Now, the whole question is how do we reconstitute the run-down slum housing conditions and control social problems that exist there without destroying the social fabric of life? I personally, for one—and I don't know whether anybody else would agree with me—I think poor slum housing and rat-infested housing stinks. It should be done away with. And if somebody wants to adore and cherish it, they can. But frankly, I've lived in ghetto areas and in interracial areas all my life, and I still have not found poor people living in those areas—Negro or white—who like poor run-down miserable housing for which they are charged an oversized rent.

Genuine Coalition Is Needed

MR. WOODBURY: *I have another equally broad and perhaps unanswerable question. Of course I have a lot of sympathy with the general trend which runs through the remarks made this morning. Call it a need for self-help, mutual aid or any other of the phrases that you have given us this morning. Am I right in thinking that the emphasis upon this in recent years has been at the expense of obscuring the fact—and I think it is a fact—that no relatively small group in our society (whether it be poor Negroes or any other identifiable minority group) can improve itself very far without building coalitions on issues with other groups?*

It's a vague question, but I think I see, not only in the extremes of Black Power but in many other folks who seem to me more thoughtful and perhaps more deeply concerned, a trend of isolationism: "The only people who can do anything for us are ourselves. Nobody has helped. We've got to do it through our own means." Anyone care to comment on that?

DR. CANNON: I would like to. Coalitions or any joining of forces so often—if they are not pure coalitions—are coalitions of unequals. Then one partner to the coalition suffers. Those who are gaining power and strength in the minority communities now feel able, with the kind of enhancement in their view of themselves and their view of their people, to go to anybody and say, "Let us together solve what needs to be solved."

I think that heretofore coalitions of Negro and white, or Mexican and white, have been coalitions of the haves and have-nots. What is being

said, and was being said over and over again, is that we are in this world together, and that the solution of any problems has to do with ourselves viewing what needs to be approached with an end viewpoint of respecting each other's points of views. I think that a part of the strength minorities are now feeling is that they feel more able to contribute to solutions of their own problems. And this kind of strengthening of minorities is a prelude to the kind of coalition that you speak of. But without this strengthening, without this kind of enhancing of how one sees oneself, then coalitions are bound to fail.

MR. WOODBURY: *Yes, if this is primarily for self-respect and a genuine coalition—*

DR. CANNON: See, the Jewish communities have had this for centuries. They have had to deal with animosities. They have their kind of nurturing substructures, too, that allow them to identify and reidentify what it means to be Jewish, and this does not necessarily rub counter to their Americanism. I believe it was Justice Cardozo who said, "To be a good American one must be a good Jew." To me that applies to every minority group.

MR. BAKER: Professor DeGrove.

MR. NORTHWOOD: May I add a word to that statement?

MR. DEGROVE: *I will give you one minute of my time.*

MR. NORTHWOOD: I think that we tend to overlook the question of White Supremacy in looking at Black Power. One of the reasons why ghettos grow, and the studies I have done confirm this, is the entrenched nature of the feelings of superiority of white people—most white people—and they act on the basis of this. I think that building coalitions will require sound tackling of our own organizations that we belong to, as groups, before we are ready for coalition.

MR. WOODBURY: *May I just add this? Senator Douglas made a remark to me on the side, after mine, when he said that all groups are minority groups, and that's true in our society.*

MR. DEGROVE: *Mr. Spray—I consider you part of this lineup—let me ask you something. I gather from what you said about the public housing program in Los Angeles it is at a standstill?*

MR. SPRAY: That's correct. Might I add, with the exception of the Section 23, the Leased Housing Program, which was started 13 months ago. We have now leased some 535 apartments under that program.

MR. DEGROVE: *I see, and this is in the category of public housing in terms of income?*

MR. SPRAY: That's right. It's for the low-income people, same category.

MR. DEGROVE: *Have these been fairly widely desegregated?*

MR. SPRAY: Yes, with the exception of, shall we say, the hardcore area, where we have vacancies in our public housing facilities. Yes, it's generally desegregated.

MR. DEGROVE: *Now, is there any considerable amount—you may not*

know—of 221(d)(3)¹ activity in Los Angeles?

MR. SPRAY: There is some 220² and 221(d)(3). But that isn't under our program. I have become quite well versed in this.

MR. DEGROVE: *I could switch this question to whoever else would like to answer it. Is 221(d)(3) being mainly sponsored by nonprofit groups, as in most communities?*

MR. SPRAY: I believe that is true, yes.

MR. HERVEY: I understand that it has to be.

MR. DEGROVE: *Either limited dividend or nonprofit.*

MR. HERVEY: I know within the church community, the urban leagues, various combinations have been working very hard to try to get their courage up to get involved, you know, and to be sponsors of housing without ending up 40 years from now as slum landlords. This is the great fear we have, and the feeling is that we may be doing something with a great motivation now and be really bitten. You know, there's a serious problem with this that we are not sure about.

MR. DEGROVE: *My advice is to take a chance.*

Secondly, are these nonprofit sponsoring groups actively attempting to put the 221(d)(3) housing into the suburbs, or out of the ghettos at least? This is happening in some other areas. Is it happening here?

MR. SPRAY: With 221(d)(3), unless the sponsor can invest quite a lot of money, it no longer becomes available for low-income people.

MR. DEGROVE: *That was my next question. What is the rental rate?*

MR. SPRAY: It's too high. We have a situation over on Adams—well, I can't think of the name of it—

DR. CANNON: Arlington.

MR. SPRAY: Yes, it's way beyond reach. It cannot meet financial feasibility at the present time.

MR. DEGROVE: *So, is there a waiting list of people who need decent housing of any considerable proportion?*

MR. SPRAY: By and large, three-, four-, five-bedroom units, yes; and perhaps in Senior Citizen housing, two-bedroom. There is a surplus of two-bedrooms throughout the city and at reasonable rental rates. But as I say, three-, four-, and five- —a man with a large family just doesn't find a place to live except public housing or some subsidized housing.

MR. DEGROVE: *As I understand it, Mr. Spray, even if you can persuade HUD to raise the per unit cost limit to \$4,000 you could not build any more public housing without a successful referendum?*

MR. SPRAY: Yes, and you can imagine the chances of success.

MR. DEGROVE: *What is your judgment of a successful referendum?*

MR. SPRAY: I don't know but what the City of Los Angeles at the present time *would* accept a referendum. Now, the ridiculous part of this law is the fact that if public housing was to be built in Pacoima, San Pedro has to vote on it, and San Pedro is 47 miles away.

¹ Sec. 221(d)(3)—FHA mortgage insurance for new or rehabilitated rental housing for displaced or low- or moderate-income families with mortgages bearing below-market interest rates and purchased by the Federal National Mortgage Association under its special assistance program.

² Sec. 220 of National Housing Act establishing FHA insurance for new and rehabilitated homes and rental housing in urban renewal areas.

There is a bill before the State Legislature—I don't know exactly the status of it, and I should know—that would limit this. Our local area legislator, Bill Green, is sponsoring a bill which would limit the area of the voting public for this type of referendum.

MR. DEGROVE: *Thank you, sir. I can't remember your name, the minister?*

MR. HERVEY: Mr. Hervey.

MR. DEGROVE: *I heard it pronounced two different ways.*

MR. HERVEY: My father calls it Hervey, so I did.

MR. DEGROVE: *I just picked you out arbitrarily to answer this question, Mr. Hervey. It is not possible now, I take it, that any Federal poverty program money is going directly or indirectly to private agencies? Did I get the feeling that it is not happening?*

MR. HERVEY: On the contrary, it is. Yes, through specific guidelines to do specific tasks.

MR. DEGROVE: *I see. Then are you saying this should be further broadened, made more flexible?*

MR. HERVEY: Let me give you an illustration. The Westminster Neighborhood Association of Watts is one of the agencies related to the Presbyterian Church. Right after the Watts revolt it was given, by the Federal Government, \$800,000 to have a Youth Training and Employment Program. I am sure it was a very, very important program. They are going into the second year. The program had to have certain guidelines, certain rules, do certain tasks, and I am sure that that task is an important task in that community at this time. Supposing, though, that the nearly one million dollars were used more flexibly.

Now I know why they do not. I think there isn't the bailiwick of trust, throughout the system, to be able to do this yet. But I would say that we ought to set up a "Trust Incorporated," so we can get the people—when the Government comes in—to do something; that we get the people who can be trusted—without too much vested interest—to do the job that might really be called for. Then that million dollars could be used more freely to do jobs in community development that need to be done, and maybe without all of the guidelines of how the money must be spent.

This is just a personal observation. The money is going, but through very limited channels.

MR. NORTHWOOD: I am consultant to the Regional Poverty Program and am engaged in research in this area. Money from the poverty program is going to private social agencies in terms of implementation.

MR. DEGROVE: *I understand that from other areas.*

MR. NORTHWOOD: Right. I was going to point out one of the difficulties will arise as the local areas are required to provide more of the matching funds, as somebody has mentioned here. This tends to push out the smaller agencies—the neighborhood type agencies—because they do not have any large budget or can't get it; so that if one wants to continue a reasonably good start that some of these agencies have made, then some measure will need to be taken to make sure that they receive adequate subsidies to do this.

MR. DEGROVE: *Thank you, Mr. Chairman.*

MR. JOHNSON: *I'd just like to say that it's been about 18 years since I last saw Dr. Cannon. When I first went to college and went up to the dormitory, he was my hero. He was a senior down the hall, the football star, the well-liked fellow. I would like to say you are still the senior in my judgment.*

DR. CANNON: *Thank you very much.*

MR. JOHNSON: *I would like to say too that you have spoken of something that I have tried very hard to articulate over the years—especially with respect to the work we are doing in terms of the things that one wants to look at in the ghetto, and that one wants to try to capture in whatever is done to improve conditions. "Improve" is a very relative term. What standards are you using to measure it? I jokingly used to talk in terms of "soul structure," which may represent what the architect might strive for.*

I'd like to ask you specifically about your own agency—how it was founded, and the work you are doing.

DR. CANNON: *Well, I've been literally running wild in the inner city and I formed a number of agencies to meet what I felt were some needs that I sensed.*

Some time ago I founded the Frederick Douglas Child Development Center, a delegate agency for Head Start, among other attempts to approach problems of minority children. We have about 500 preschoolers now in our program. It started with a group of citizens who we thought would want to do something for poor minority children being lost in the public school system. We felt that there were ways of giving them a learning-can-be-fun focus before they entered the public school system. We felt there should be more involvement of parents and teachers in the preschool setting, and more strengthening of ethnic identity. In terms of a self-help project and citizens feeling a need to do something, we feel we have been successful. But we felt an approach to the child was needed, so now we have plans for counseling and children's theatre. There can be all kinds of cultural activities, because the arts are extremely important in giving one some sense of where one is in the world.

I won't describe another program, a lengthy one, but it's one that we feel very proud of: About six years ago, I founded a Community Mental Health Center. This again was just a few citizens who felt that they wanted to do something about some of the mental health problems in the community. We started in a small church. Now we receive a major grant from the Federal Government, and we have a large organization which is treating a great number of people in a variety of ways. We are really attempting to approach mental health in a new way, not so much treating illness—certainly we would want to treat illness—but we want to understand what mental health is, so we don't stereotype the approach.

We want to approach people through their culture and subculture when we are involved in mental health education. We don't want to reform people in the image of the middle class, but we want to really show that there is a whole range. I could talk for a long time on the Community Mental Health Center and its relation to the Child Develop-

ment Center. It seems to me that any kind of development or redevelopment should contain such centers as rather permanent institutions to which the communities relate.

Another exciting project we founded we call the Inner-City Cultural Center. We felt that with the people of the inner cities not only is there not proper communication between the majority and the minorities, but there is not the kind of communication that could be and should be between the minorities themselves.

So, our Inner-City Cultural Center received a major grant of about \$850,000 a year for three years. What we plan to do is to really enhance minority arts in the city. You see, there are American Indian art groups that are struggling, and there are Mexican-American, Negro, Oriental art groups and art form groups: actors, painters, and others who are really struggling. They get lost, not only in the mainstream, but from their own people. One of the most important things we can look at in the inner city is the role of the artist, which I feel is something that has been relatively ignored. They have a very critical and crucial role in any kind of enhancement of environment of a minority group person. Here again is an opportunity to build cultural enhancement and cultural expression into any kind of city or city development plan. Anything that will help the artist relate to his people is valuable.

I might mention also the International Center. One of the beauties of the city is the number of foreign nationals that live next door to us, but are relatively ignored or undeveloped within the city. Many of them live in the inner city because that's where the less expensive things—housing and what-have-you—can be found. We hope through our institution to evolve a program where there is a maximum contact between the foreign national and the inner-city residents. Again, this gives a sophistication in terms of "whole worldness" and the universality of man, and certainly there is a byproduct in terms of being able to send the foreign nationals back to their country with a better view of America, having involved themselves in a warm experience.

Some time ago I felt that we should develop a range of organizations within the Negro community which would be self-help and which would meet many of the needs that we feel as a body of people living within the inner city.

Now, this is not unlike the Jewish community, which has a federation of services in most major urban areas. Our approach is a little bit different, but the aim is the same, and perhaps every minority group ought to have a range of these kinds of services, not so much to involve themselves in a segregated kind of a situation, but as a kind of launching pad. This launching pad has to be a self-help launching pad. It has to be very sensitive to the needs of this particular group in terms of how it exists in the city, and I think that this should be architecturally met, not only in terms of building, but in terms of area planning.

MR. JOHNSON: *Thank you very much.*

MRS. SMITH: *I have one major question.*

The elements of ghetto life that are to be preserved, no one has quite defined. Often, as in Boston, one hears talk about how bad the Italian

section is, and so on. Could someone list more precisely what the good elements are. Often I find a section of a city interesting because it has low buildings and the buildings—in unzoned areas—have lots of uses. Shops there are an invitation to involvement. People use streets more. If you move people into a single high-rise where the major place of contact is the elevator, then these natural things disappear. Is lack of privacy inherently good or bad? Do you know of any new project, any community, or a part of any community, that provides the basic physical elements that you feel have the essential qualities?

DR. CANNON: Well, I think Mrs. Lopez in some ways in her presentation showed some of the kinds of openness and freshness.

MRS. SMITH: *But she wants to move out. I wrote that down.*

DR. CANNON: Well, move out into what, though? That's the question! Because, consider Malibu and some of the most beautiful housing of the suburbs. I frequently visit there, and I hear about neighbors who don't talk to each other. Isolation, a lack of sharing, is a part of suburban life that becomes a kind of a green ghetto. So where do you move to?

I don't want to speak for Mrs. Lopez, but I think the way she presents herself is something that depicts a quality of so-called ghetto life. And let me just make it clear I do not know Mrs. Lopez—I met her today for the first time. But I do have good friends in Nickerson Gardens, which is a housing development in Watts, and I am very impressed with the sharing—that with very little in the way of funds, if "X" runs out of money, "Y" will help to provide. If "X" has difficulty and wants to run downtown, "Y" will open her house to her children. It's a tremendous amount of sharing, and this certainly is in the context of love. It has to be. There is a kind of openness to one's house where you can drop in, and not call and make an appointment. That is a part of it. There's an emphasis upon "I am" and "I am being"—in contrast to the emphasis on "having" and identifying one's self by one's material objects. So it would seem to me that this is part of what Jeh Johnson mentioned, the world of soul that Negroes are involved in. We understand the kind of contact that is part of this, and I think Mexican-American soul and American Indian soul and so-forth—this is a kind of understanding of you and me as brothers and sisters. We have a way of making contact.

MRS. LOPEZ: I want to say something. I was born and raised in Pico Rivera. Used to live there, and during the summer we were fruit pickers. You know, we lived there and I never knew any neighbors. We never talked to each other. At Ramona Gardens we all sit around the afternoon, and when one woman goes to the hospital we see who can take care of her kids, so we share the kids. One takes one and another another one.

If I work, for instance, I can't take care of them during the day. I take care of them during the night. You know, we all share, but you see it's right. We might be poor. We might live in the slums, but I think we all share and we know our own problems.

MRS. SMITH: *Where would you like to move?*

MRS. LOPEZ: I am going to move across the freeway, I mean on the

other side of the freeway, because I want my children to go to the same school.

Characteristics of a "Barrio"

MR. AGUILAR: I would like to make this comment. I make this comment as a Mexican-American. I personally resent the term "ghetto," because in our Mexican-American community we do not have a ghetto. We have a barrio. A barrio is a kind of community where there is an element of love and pride, an element of sharing which is not the same connotation one would give to a ghetto. I would like to cite an example just to illustrate what Dr. Cannon has been saying about the good things of this type of community.

Last summer we had a little problem in my particular community. I am talking about a peculiar ghetto, if we may call it such. This is a plot of land which houses about 30 to 40 families. It's called Hicks Camp. This area belongs to one owner, and within this plot of land we have these families living. There are no regular facilities like those we would find in any city. People can build the kind of a dwelling they can afford. We find a great variety of dwellings of substandard quality.

Not too long ago a sociology professor decided this was a very good place to come and write a paper about social problems. He wanted to identify with the community, so he walked into the community wearing a big sombrero and a serape over his shoulder; this approach was going to make him be part of the community.

The result of this was that the hard core group, the so-called dropouts, immediately resented this kind of approach and they were not about to let the professor go farther than one more step. We are the only agency that works in this community. When we heard about this situation we went to the community. I approached this group of boys. It was a very hot day in the middle of summer. They were sitting under a beautiful walnut tree in the shade and drinking beer. I sat down among them and I started talking to them. All of a sudden something happened to me. I could no longer hear the noise of the freeway. I could no longer hear all of the pressures that were outside the community, and I felt good. I started talking to one of the fellows I had known who had belonged to one of our groups. I said, "Well, I didn't know you were back in this community." He said, "Yeah, I am back. I got married. I live here." And I said, "Well, I thought you got a better job and you had moved out." He said, "Well, yes, but I was having trouble with my wife because I have to come back and talk to the fellows and sit down here and drink beer with them. Now we live on the corner, here in Hicks. She knows where I am and I don't have to be running around anymore." Just as simple as that.

Now, the point is, do we take in due consideration this "thing," this subculture, these good things that are in the barrio communities? I'm not talking about good things like drinking beer, and so forth. The fact is, here symbolically in the situation described we have the old Mexican plaza where everybody could come down and sit and meet each other

and talk. And why not drink beer without going out of the community? This is a place for sharing, a place for charity and concern.

Do we have a right to change these things? Don't we have to take into consideration the subculture of these communities before we sit down behind a desk and say, "Well, now, Pico Rivera is on the list. We must plan for it a certain type of dwelling, of setting, of social structure."

MRS. ANSPACHER: Mr. Chairman, may I ask a question?

MRS. SMITH: *Sure.*

MRS. ANSPACHER: I now know why you have commissions. I wasn't quite sure before. I think that maybe there is hope for us all. I think the fact that maybe now if we take into consideration what the people want—not take away from them what they want but take away what they don't want—we've got a chance, a real good thing going.

MRS. LOPEZ: May I say something?

If I stay there and work, they raise my rent. I have to move. They would be raising it to \$80.

MR. VANDERGRIFF: *I shall try to be brief. Some of my questions have already been asked, and answered by members of the panel. I seemed to sense, as you were talking about the poverty programs, that there was some kind of a general discontent as to the administration of these programs. I heard Reverend Hervey say that poverty programs had to be too active politically, that the established way wasn't the way to solve the problems. And I seemed to sense that he was coupling the existing private agencies with the established way that we have developed in the poverty program itself, and he was seeking some new ways.*

Mrs. Anspacher said there seemed to be disagreement developing when we begin to involve more people. A small establishment could be in agreement; then we involve a lot of people in it and disagreement develops.

And Mr. Aguilar stated there was lack of support for the private agencies. But to come to my point, Mr. Aguilar, how is your agency financed?

MR. AGUILAR: We are partly financed by the United Way and partly by the Presbyterian Church. I say partly because the major part has to come from wherever I can get it. I may say further that the private agency, primarily my agency, is involved in part in the War on Poverty programs. As President of the Federation of Settlements and Centers I spend at least 60 percent of my time working on the programs of the War on Poverty and 40 percent on my other job. My working hours are 9 o'clock in the morning to 9 or 10 o'clock at night, in order to do the job over here, downtown, and down there where it is needed.

The thing that I mean to say is that there has to be a more direct involvement at the level of the community, and generally with the people other than through the executive of the larger structure here. If we are the professionals, and we are the experts, and we are at the grassroots level, then that's where we should be. We should not be pulled out of that community in order to be a part of the structure of an overall poverty program.

Presently we have to do this in order to secure the funds for accomplishing certain programs which we could not handle at the level of a

\$40,000-a-year budget in a small agency; and so we have to do it through the Federation. If anything is unique to the private agencies it is flexibility; that is, ability to modify or change programs and change them to meet the needs of the community with the anti-poverty program funds if this would be possible. We are not able to do this at present.

MR. VANDERGRIFF: *Is what you are all saying that, Number One, you need flexibility; and Number Two—whether it's a private or public umbrella under which you are operating—you need to have the involvement of the people to a greater extent than is being accomplished now?*

MR. AGUILAR: Right. The success of the agency, and I am talking about the settlement house, is that we have involved our neighbors. We do not look at them as people who are being served, but they are our neighbors. We talk to them as people. They are our partners. This has made a success of settlement houses. But it has been very hard for me to understand that if in a community we have an agency that has been here for the past 40 years, established, all of a sudden we have to establish another agency, brand new to the community, to do the kind of work that this agency has been doing for 40 years. Why not use that agency? Why not supplement its budget and resources? Why can't we work together so that we can have a whole approach to the total community?

I will give you an example. In our community just last week for the first time one of the Federal programs came in. My role has been to be an "enabler" to the community, to be a part of all the advisory committees in the development of these programs. I don't want my agency to be one that, again, becomes an establishment.

We have had a first meeting in the community with new staff, new consultants, new everything. At this point I thought my personal involvement should cease. I stepped out of the meeting. Problems developed immediately.

First thing a telephone call came to the neighborhood center, "Mr. Aguilar, we are in an uproar. We do not know what they are talking about. What are they doing to our community? Would you please come over here and help us?"

MR. VANDERGRIFF: *I see. All right, well that answers my question very well.*

MR. HERVEY: May I speak to your point about criticism?

I said in my statement, and I'd like to say again, if my statements have been critical I think it's the criticism that I feel I have a right to make. For instance, when I criticize my church I am in it. It pays my salary. But I am also committed to its best possibilities. The same with the poverty program. I think it's only those of us who have tried for a couple of years to be involved in something that is almost impossible who now can be a part of the restructuring and the recommitment, with the same goals and objectives. We have learned an awful lot of things. I am not speaking as an expert. I am speaking as somebody having one point of involvement in this. Now we can take all of the mistakes that we have all made, and that have been made at every level, and restructure and come up with something positive. I think the poverty program is a plus. We must take all the pluses, and take away all of the negatives, as much

as we can, and really go to work. If you are a mayor of a city, for instance, who looks at poverty programs and says, "I wouldn't want to take this one because that will mean that I will have lights going on my phone if I let this thing get through." Well, as a mayor, you will have to say that light will have to go on, because it's a needed program. And then churches say, "We will have to give up some building and do something differently because that way is called for to renew the city's life."

MR. VANDERGRIFF: *I do not have another question, Mr. Chairman, but I do have an observation.*

I would like to challenge Dr. Cannon on one thing he said. It bothered me very much. You said, sir, that you didn't feel that very much attention was paid to what the Negro social worker said. But Dr. Cannon, I want to assure you that the reverse is really true, at least in this one humble case, and I say that merely to impress upon you a very grave responsibility, and you fulfill that responsibility very well. The fact of the matter is, I pay more attention to you than I would to someone else of perhaps like or even greater professional standing, because I think you've been there, so to speak. I want to make this point because I feel it's essential that you realize how much we are depending upon you and upon people like you.

We are going to be guided by you in one sense of the word. What you say is so terribly important, and I hope that you feel that awesome responsibility, and that in your heart you know that we are paying attention to what you say. In closing, I have one other request to make.

Dr. Cannon, among a host of things, said something that I think I will remember for a long time. He kept referring to something that is really in my mind. He talked about how the Jewish community seemingly has been successful in retaining a mood of being a part of a Jewish community, but that they are Americans in the true sense of the word.

I kept recalling, as you were speaking, that in my own area juvenile delinquency and social problems are almost nonexistent within the Jewish community. Somehow they have some answers that possibly some of the rest of us need to know, and I would like the staff to give some consideration to having some distinguished people from the Jewish community, rabbis, what-have-you, to come before us and give us some of their thoughts from their hearts and their experience. Perhaps they can give us all some guidance.

End of speech, but I appreciate the opportunity to make that observation.

MR. BAKER: Thank you, Mayor. Mr. Feinberg?

MR. FEINBERG: *Well, the first thing I want to do is to congratulate all of you on your frankness and extend our appreciation. I think this was very very interesting, because I myself have been very much impressed with the ideas that apply to our rehabilitation program, about bringing our American citizens, all of them, whether rich or poor, back on an even keel. I know we can do this because you are so involved in it and so very conscious of it.*

I have this to say to you, Mrs. Lopez—and I am not provoked by any guilty conscience either—I must say to you that this Commission is not

endowed with any fabulous salaries.

I am going to violate a cardinal rule in my profession. We have always been taught, when trying a case, never to cross-examine the witness or ask a question that you don't know the answer to before you ask it. Now, in spite of that admonition, despite that training, I am going to risk something, because I want the truth. We are a fact-finding body. This is our purpose in life during our service on this Commission, so with your cooperation, I am going to ask you to continue your frankness.

Do any of you—I present this to all of you—have any feeling of doubt as to the integrity or the sincerity of any of the Federal programs? To use the common vernacular, is this just a political gimmick, in a sense, or do you think that our Government is really and truly interested in its citizens?

MRS. ANSPACHER: I have a very definite feeling. I think that anyone can make mistakes; mistakes can happen in our own home. The programs were put together so quickly because of a crisis. It was like, when anything happened, we used to put on iodine, if that was the nearest thing. But if you cut your finger or whatever, it may not be the best thing. It may hurt a little.

I think the greatest crime that is happening is the fact that so much of the criticism is destructive instead of constructive. We are a very great country, and I think that if we have spent the millions that we have spent—and I do not like to pay taxes any more than I have to or than anybody else does—but if we have learned this poverty program can make a different structure, I think we have gained tremendously.

MR. FEINBERG: *Now, I would like to ask this question of anyone of the panel. There was a certain thing in all your presentations about the dissention between the private and the public agencies.*

There was a critique that emanated from what you said—constructive, I am certain—of the administration of these programs. That is why I asked my first question as to whether or not you believe in the sincerity. I am very gratified to hear that you believe in the sincerity of the Federal Government in its activities and programs. But you do criticize, obviously, their administration. You feel that perhaps the public agency in taking the lead role is making more of an attempt to go down into the rank and file, but just isn't reaching the individuals—the recipients? Is that what you are saying?

MRS. ANSPACHER: No, I just think it has been done so quickly that there isn't anyone that isn't human who can't make mistakes, and when you have to write a policy that takes thousands and thousands of pages, it's impossible.

You asked about the private and public agencies. Mrs. Lopez said they can become a number. They have to—we are two hundred million people. But in the private agencies they aren't a number and they know them by name.

MR. FEINBERG: *Then what we are saying is that the public agencies are impersonal about it. The people become examples.*

MRS. ANSPACHER: That's right. They have to follow the book.

MR. FEINBERG: *And I gather also from what you have said—again let*

me remind you that we are a fact-finding body—you feel that if the private agency itself were given even broader and greater powers and responsibilities perhaps this might help solve the problem? You don't mean to eliminate public—

Join Public and Private Agency Efforts

MRS. ANSPACHER: No, I said in my statement that we should have the best of the public and the best of the private agencies together, and be as nonpolitical as possible. This is the answer, because then you can say to the community, "We want the best brains of the community. There's no money involved for you. (Well, I know an awful lot of people who sit on committees who are just nice people that have names.) But we want the brains of the community, be you whatever party you are, to sit down and work this out."

It has to be, though, with the resources and the know-how of the public agencies as well as the know-how and the flexibility of the private agency.

MR. FEINBERG: *They can work together?*

MRS. ANSPACHER: Certainly. I have seen them work together. We do it right here.

MR. FEINBERG: *Mrs. Lopez, in your agency—*

MRS. LOPEZ: We work together with the public agency, you know. We have a social worker and parole officers coming in every month, and we work together. But I don't think the people will like the parole officers right there or the welfare right there. I don't think they would like that. But we communicate with each other.

MR. FEINBERG: *Doctor, you had—*

MR. NORTHWOOD: Yes, I wanted to say that I strongly support the public broad-scale, comprehensive programs. I don't think the problems that we have been talking about are going to be solved either through themselves or by private agencies. I think 90 or 95 percent of the cost is going to have to come out of the public tax funds at the Federal, state, and local levels. In my opinion, soundly based social welfare policy is public policy, and therefore this work you are doing is extremely important. It isn't the intention of man in government that frequently fouls up things. It's the structure and organization of the services, and the lack of human relations involved in it.

I wanted to ask Mayor Vandergriff a question.

When you innovate in your position as Mayor, where you know something that is going to go on in the city of Arlington, what kind of measures do you take with the existing parts of your administration to secure an appropriate acceptance of the new program? I'm really posing to you the need for internal staff development and training, for getting social workers to be humans and to work out these organizational examples so that people are able to implement their motives appropriately.

MR. FEINBERG: *Excuse me, but may I get back to the ghettos? Unfortunately that word carries an unsavory connotation, but just for the purpose of understanding what we are talking about I shall use that word.*

All of you said that there was some feeling that the public agency employees or social workers didn't completely reject, but didn't pay enough attention to cultural and human aspects of things that you want to preserve in a ghetto—

I see Mr. Aguilar is shaking his head. Is that right? You feel that is so?

MRS. LOPEZ: That's right.

MR. BAKER: You have another minute.

MR. FEINBERG: *I only have a minute, so I am going to cut it short. I want to read something I think is very apropos. I took it out of the Los Angeles Times yesterday. It was written by Carl T. Rowan, and it is a very good column. He talks about Tampa and his headline is "Heed Summer's Early Message." This is what he says:*

There are some lessons here that ought not to be missed by city officials fortunate enough so far to have avoided riots and civil strife.

The first critical lesson is that these teenagers, even in the slums, can be turned to responsible behavior if only someone gives them the feeling that they are needed, that they can make a meaningful contribution to their society. These kids talk the language of their neighborhoods. Their white hats and night sticks are not symbols of the people of the fat cat side of the tracks, oppressing the people of the ghettos.

This happened in Tampa, if you recall.

Every urban area must find a way to insure that on a permanent basis the people on the other side of the tracks have a meaningful role and a voice in law enforcement.

A second lesson of the recent disorders is that Catullus was right more than 2,000 years ago when he wrote, "Idleness here now has ruined both kings and wealthy cities."

Do you agree with that philosophy?

MR. BAKER: Thank you, Mr. Feinberg.

Members of the panel, the Commission is indeed grateful to you for the time that you've given and the information that you've brought to us. It was most interesting and informative. We hope that from these comments we can compile recommendations that will be beneficial and satisfactory. We thank you again for being here and now the entire panel may be excused.

We are still in session. It is the policy of this Commission to hear from those in the audience who may wish to bring further information to the Commission. If anyone here has any information to give this Commission, you may do so, but we will limit you to five minutes. Please come forward.

PUBLIC WITNESSES

Mr. Curtis: Poor Suffer under Renewal

MR. CURTIS: My name is Anthony A. Curtis. I am a retired businessman from Sunset and Echo Park. I came here expressly to see the Senator. He was a Councilman from the Fifth Ward when I was an Executive Secretary for the Sixteenth Ward in Chicago.

I am listening to this dialogue today and gathering what you are trying to do. Sunset and Echo Park are just over the downtown section. Now, we are talking about urban renewal. I had a business in that area.

Now, they had urban renewal in the Bunker Hill area. It's wonderful to think of these plans, but they lose sight of one thing: What to do with them people. Them people left that area. They lived in one-, two-, three-, four-, and five-floor walkups. They moved into our area. They moved from Olympic over to Echo Park, over to Hollywood.

Now, something should be done when they have urban renewal programs to find out how many of them people are senior citizens and what is the best thing to do for them. Now, them people that moved to Echo Park, they live off Social Security. Some live off of pension checks from the State and they are paying 40 and 50 and 60 dollars for one-room efficiency apartments, studio apartments, small kitchens; they are living on small, meager amounts of money. They have no place to go. They have to stay in an area such as Sunset and Echo Park because transportation is available for them there. Also, there are stores available where they can walk.

Now, here's a section that will become a blight eventually. They are talking about making that part of the urban renewal and taking it out. What are you going to do with them people? When there are senior citizens you have to make a study in the lower income groups, what is the best place. See, Leisure World, Laguna Leisure World, Seal Beach, Sunset, are all out of reach of people except for those with money, \$500 a month income. That is where they are going. But the Government should think about the senior citizen that lives off a Government pension check. You should establish communities outside the urban areas and bring all the facilities under Government expenditures to these people. Now, when I say that, I mean provide them with their housing, their food, their medical care, everything they need to make sure that that monthly sum that they get would cover everything. Today they are thrown to the wolves. They get a one hundred and some dollar pension. They get Medicare.

What happened to Medicare in our area, the small clinics went from \$2 a visit to \$5 or \$6 a visit. They are going to grab that extra buck.

Grocery stores still charge the same thing for a pound of round steak as they would in Beverly Hills or in this area. That's where the Government has to provide these people these facilities at lowest price when they live in areas like Sunset and Echo Park. They can't travel around to competitive areas like Glendale where hundreds of markets compete, to Government discount houses where you get 30 and 40 percent off. That's where the Government has got to realize they have to help these people and give them all of these things.

In this area you have the same thing. A lot of these people are relievers. They are thrown to the wolves. Just look across the street. It's been like that for years. The local drugstore takes the prescription in from a local medical that should be provided by the Government—every bit of medicine should be provided by the Government—and all the medical needs should be provided by the Government for these people. I could go on forever.

MR. BAKER: I'm not going to let you.

MR. CURTIS: I mean the Government has got to do something for

these people and give them this opportunity.

MR. BAKER: Well, thank you very much.

Yes, sir, would you give us your name, please?

Mr. Smith: Communicating about Architecture

MR. SMITH: My name is William G. Smith. I am an architect and I did not come prepared to speak this morning. I just saw a small—

MR. BAKER: Would you confine your remarks to five minutes, please?

MR. SMITH: Yes, sir, I will.

I think the meeting really should have lots of architects here. After all, it's hard to discuss urban problems without architects. They are involved in it. It's not just conversation, it's building. And I don't speak for all the architects in the city. I just speak for one: myself.

I happen to be one that has been involved. A little, this is true, but I have been involved. Some of my very good friends live out in the Watts area, and I have been asked to come out there and help. Now, it's very difficult—as far as communications are concerned—for professional people to communicate with Watts on what they want. It's very difficult. I just can't explain building that way; the conversation is difficult.

My very good friend, Ed Gough, called a meeting out there two months ago at the Watts Coffee House, for communication, this purpose. He called professionals from USC [University of Southern California]; from UCLA [University of California, Los Angeles]; we got architects, designers, and we sat for three days to talk, to communicate.

We brought our designers and we took a piece of butcher paper and put it up on the wall. We took the crayons and we talked. And as the people talked—and there were lots of people there—we took their ideas and we put them on the paper, and we felt that at the end of three days maybe there was not too much accomplished. But there was at least a barrier broken.

This summer, USC—the whole fourth-year group—studied that area, an area of 60 square miles. City planning has never done it, but what can they do really? They plan and they talk, but none of these programs get in. A few of the architects have gone out. I've gone out and a few of my friends have gone out. We spend four hours in the evening, three hours in the evening, Saturdays and Sundays. We turn out great schemes that mean something, places to talk and meet, not the kind of schemes that are square little old boxes, but things—large spaces where people can meet, not the worst but the best. But you know, we can't do all this and do our work. We need to spend six months on the job to do it, and it would be the best.

Now, after the riots here it's been almost a couple of years, and they're going to have their festival out there August 12. They hope every year to have the Arts Center out there, the Watts Tour, and the whole community. The festival is for all the 5,000 square miles in this county; everybody goes over there, and sees the arts they have, the displays.

The only plea I make is to some of the architects in this town who have been aware of the problems—and boy, we sure have got the prob-

lems. We have gone out in the evening and we have talked to groups. We have gotten involved in the parks they are slicing over and through with the freeways and so on. Some people have really tried to do something, but you cannot do it—I am saying you can't do it—in four hours.

Is there some agency that will allow us to go ahead and make studies and pay us for it? You cannot do a \$10 million-dollar building without an architect. You also need consultants. We have those consultants. They come out free, but you cannot turn buildings out free.

MR. BAKER: Mrs. Smith.

MRS. SMITH: *We are proud of the fact that we have three nationally renowned architects on the Commission.*

MR. BAKER: Thank you very much.

MRS. SMITH: Right.

MR. BAKER: Yes, ma'am.

Mrs. Stanley: Community Self-Help

MRS. STANLEY: My name is Joyce Stanley. I am a director in one of the anti-poverty programs in Los Angeles. I was a welfare recipient for 15 years. I was upgraded in this position. I am not a professional. I am from a community called Venice in the west area. There's the only ghetto by the sea anywhere in the state of California. And right now we are in the battle of our lives to save this area for the low-income integrated community that lives there, and we did not know that the Commission was in Los Angeles until yesterday. Someone called and told me, and we felt it was very necessary to let you know that there are some self-help communities, that people themselves are trying to do something about the housing problem.

I think that the testimony this morning was outstanding. But I think you would have gained a great deal more had there been community people sitting in those chairs telling you, actually, how they feel about the poverty program and about the housing situation that exists in Los Angeles counties, cities, et cetera.

I think, as well, that as a civic committee we would like to go on record here to tell you that as the war on poverty is a political football it's not going to do a thing for the people in the community, and this is what we have in Los Angeles. I have met with a great deal of frustration in the job that I have because I work with community people. And when these people are beginning to be organized and begin to be told what they themselves can do for themselves they are immediately chopped down in many different ways, you know.

I am also president of the Los Angeles Welfare Rights Movement in California. I was one of the head organizers of the march yesterday that Reverend Hervey mentioned. Unfortunately I was not there because of an illness in my family. It was definitely a peace march, but it was also said that we wanted to change the attitude that the Federal Government, the administration, has toward the welfare recipient. It's very bad. It's very bad statewide in California.

The basic aim of organizing the welfare recipients is to try to teach them their rights when they are on welfare; and to ask that they get treated like human beings rather than animals when they go in for help and welfare.

The present involvement that I wanted to present to you today is the Venice Community Nonprofit Corporation that has been organized and incorporated in the last month and a half. Now, in the area of Venice in 1960 the city code enforcement started in the area and went through Phases 1, 2, and 3 for some 1,100 units. In these three phases in this area 448 units were demolished. It has moved on to the fourth phase, which is right behind where the concentrated minority ghetto lies.

Now, in this process our city councilmen decided to go into Phase 5 area, which is the defined minority area of this community. It is deteriorated and rundown. It needs a lot of help, and the people themselves have organized to try to get help from the Federal Government so that we don't have to go through a complete concentrated code enforcement in this area. The houses in this community are very old. The majority of them—and I have figures if you are interested in them—the greater majority of them were built in the early 1900's. It has been a minority community for 40 years but it's being swallowed up now by big business and by big things that are coming in in the whole surrounding area. On one side the County is putting \$17 million dollars into rejuvenating the canal area, which is basically inhabited now by low-income and welfare recipients among Anglo and Spanish-speaking people.

Now, there are no funds in there for the displacement of these people, and where are they going (because this is an area of high income)? Right next to it, a little bit further over, is the multimillion-dollar Marina Harbor that I imagine you will see on your helicopter trip. This canal area is being cut through the harbor, and is going to be turned into a fantastically beautiful community shut off from the public.

On the other side of us there is a complete urban renewal in Ocean Park, where they now have two high-rise apartment buildings charging \$250 and \$350 a month rent; but this area was to have been turned into comparatively low-income housing. Now, this is squeezing towards the section with the principal minority group. It is on the ocean front and we are about four blocks away.

They have struck oil, and all the millions of dollars of oil in the city is going to the beach, whereas four blocks away they could upgrade an area and help make decent housing for people who live in that area and let them stay there. We face displacement.

MR. BAKER: Would you conclude?

MRS. STANLEY: I am sorry. If you give me just a couple of minutes I will try and give you the facts.

We face displacement. We face that west of Lincoln Boulevard. Nobody can get a loan to fix up their property if they are hit with code enforcement. We have done a basic survey to the best of our ability to help the community. We were told that it was 20 percent owner occupancy. It's running now 40 percent. These people cannot get loans. So, because of this we have formed this nonprofit community organization.

We have had a community meeting of over 250 people who are very concerned.

We have our nonprofit corporation papers in the mail to Sacramento where we have been incorporated. We are seeking funds—from HUD, from OEO, from private foundations, from anywhere we can get them—to do work in housing and relocation of displaced people, and to get loans for the people so we can upgrade their houses.

Now, through all this turmoil that we have been through we have a city councilman who constantly tells us that there's no Federal aid eligible for this area. We have been told by HUD and different people from Washington and here in Los Angeles that they will deal with the citizens' nonprofit corporation.

The other interesting thing which has come out——

MR. BAKER: Mrs. Stanley, I am going to have to ask you to terminate because you are taking the time that might be allocated to others.

MRS. STANLEY: Do you have another session this afternoon because this is really something that you should know, this situation that has existed. Would this be agreeable?

MR. BAKER: You may take one more minute.

MRS. STANLEY: Well, one thing that I wanted to point out to you is that through all of this we have had no cooperation from our city councilman. And just two days ago we got this article in the paper, "U. S. Wants Massive Venice Slum Clearance." This is what we are facing and we want to finish, pointing this out to you. [See p. 143.]

MR. BAKER: This is the time set to adjourn for the noon recess. But, sir, did you have something in addition?

Mr. Ehrhard: Extended Family Housing

MR. EHRHARD: My name is Walter Ehrhard. I am a consultant on the staff of the Los Angeles County Human Relations Commission.

I would like to speak to a question raised by Mr. DeGrove relating to the housing supply for low-income families. I would also like to offer one example of a project which I think is rather exciting.

It is our experience, countywide, that there is virtually no new housing being added for low-income families. Relating just to the two aspects of low-cost, 221(d)(3) housing,¹ and to public housing, we can see no significant addition to the supply.

Practically all of the 221(d)(3) housing being put up today is by church-sponsored groups for senior citizens in moderate-income housing. There is practically nothing I know of in the area of low-cost housing for families with large numbers of children and this is, of course, a tremendous need.

Now, in the area of public housing—we have worked with Mr. Spray of the public housing authority—but I must say that we are critical of the efforts that are being made. The Section 23 Lease-Rent Program,²

¹ See footnote, page 126.

² Under Housing and Urban Development Act of 1965, providing for leasing, by public housing agencies, of low-rent housing in existing private accommodations.

we feel, can bring a very significant increase in housing units.

Like Mr. Spray indicated, the program has been in progress for over a year—the Federal Government has allocated funds for 1,000 low-income units in Los Angeles. Now, on the surface, 1,000 units is but a drop in the bucket compared to the housing needs of a metropolitan area of 7 million people. However, of these 1,000 units Mr. Spray today mentioned that there was some excess of 500 of these units which were leased. I think it's interesting to look into a breakdown of these figures to see how many of these were rented to low-income senior citizens and how many were rented to other low-income families. I do not know the most recent figures. I do know at the end of last year there were some 300 residences or units leased to senior citizens and only 32—if my memory bears me out—units leased to low-income families. So my point is, there is a tremendous need, and the present programs we have are not meeting this need.

In addition to this we have a definite loss in public housing from the Los Angeles County Housing Authority. Last year 200 units were demolished to make room for a hospital which has not yet been built.

My one other point that I would like to make is that there is one exciting self-help program to improve housing which has had its genesis right here in East Los Angeles. And it illustrates, I think beautifully, the point that Dr. Cannon made of the way in which the so-called ghetto dwellers can contribute their values to society to point the way for us. This is a proposal, which has progressed quite far in HUD, to rehabilitate and to construct housing units of a low-income nature here in Los Angeles. This will not be merely just housing, however. It will include a social service program to be staffed entirely by indigenous people.

Just one example of what I think is a unique idea in order to carry out the values of the Mexican-American community in this area: they have tried to incorporate the structure of the extended family, which is a pattern that is part of the culture of Mexican-American families. They hope to have apartment houses which are integrated by age groups, so they will have apartments for senior citizens and apartments for families as well. They see this as a way for senior citizens—although there is no blood tie here—to act as sort of grandparents or *compadres* to the other families, and in this way trying to bring these groups into a closer feeling of unity.

MR. BAKER: Thank you, Mr. Ehrhard.

Mrs. Stanley, you asked if you may continue this afternoon. We will deal with another subject this afternoon on space. Could you conclude your remarks in about two minutes?

MRS. STANLEY: I will try very hard to.

MR. BAKER: May we explain also that we welcome a written statement of any length as well. I don't want to cut you off, but we are running very tight in our time schedule.

MRS. STANLEY: The other things that we are involved in in the area is that we want very much to preserve and upgrade it; and we want to work towards the proposals mentioned for East Los Angeles on 221(d) (3). The whole overall picture as we have worked with the Open Hous-

ing Commission of the Los Angeles Community Relations Conference in Southern California is the possibility of 50,000 people being displaced in the Los Angeles area by urban renewal and code enforcement and what-not. To completely displace these people causes them to be caught in a revolving situation from ghetto to ghetto. Public housing is one of the problems, and we understand this. Now, there hasn't been any in Los Angeles City. The Mar Vista and Pacoima housing projects, and also all of the housing projects, are predominantly ghetto areas, all other than Mar Vista Gardens. The housing project in the west area is surrounded by high- and middle-income areas, and this presents many problems there.

So the people that are displaced out of the Venice area cannot go into this area. It's an impossibility; so we wanted to point out the emergency of this situation, and what a community faces when they begin to try themselves to preserve an area and upgrade it into a community where they can live and stay.

We have many facts and figures, and I think one of the wise things to do is, if you will tell us where to mail it to you, we will mail it, because we have had many problems and I think you should be aware of them from the people in the community.²

MR. BAKER: Thank you very much, Mrs. Stanley. We will recess now.

*Aliso Village School Room
Los Angeles, California
Noon, July 1, 1967*

The noon and afternoon hearings focused on land use policies in expanding suburbs as they affect the cost and supply of housing, and as they affect the central-city concentrations of poor people and minority groups.

LAND USE AND HOUSING COSTS

MR. BAKER: Ladies and gentlemen, in the interest of time, we might pursue our luncheon speaker. I didn't mean it the way it sounds.

Prof. John W. Dyckman¹ is a professor of city and regional planning and chairman of the Center for Planning and Development Research at the University of California, Berkely. Ladies and gentlemen, Professor Dyckman.

¹ Formerly Chief of Urban and Regional Economics for Arthur D. Little, Inc., San Francisco; professor of city planning at University of Pennsylvania. Member of President Johnson's Task Force on Natural Beauty; the Research Advisory committee of the Task Force on Economic Development of the U.S. Chamber of Commerce; the Committee on Water of the National Academy of Sciences. Consultant to the National Committee on Technology, Automation, and Economic Progress.

² "The Issues," report by Research and Information Committee of the Venice Non-Profit Community Development Corporation, dated September 1, 1967. In Commission files.

NEW APPROACHES TO COMBAT SPRAWL

MR. DYCKMAN: I want to take advantage of the holiday atmosphere—the horns outside that keep this very informal, as I hope all such discussions will be today.

I really don't know all that was said this morning, but I picked up bits and pieces. I concluded that the discussions roamed over a wide range of subjects from public housing to neighborhood conditions, most of which concerned the old city, and mostly looking at it from the inside. So I suppose it's proper to alter the perspective just slightly and to make my remarks about the general context of urban development. I want to discuss the extensive behavior of city development, and perhaps to make some suggestions for policy.

I am going to be bold enough to do that because I suppose we want to get as close as we can to the action.

If outsiders have heard about California they perhaps have heard about sprawling cities that stretch, without a recognizable core, for scores of miles, and so on. The general tendency in the East is to deplore this kind of growth, and I think it's appropriate to try to put it in perspective: some pros and cons of this development, some characteristics of it, some of the dynamics of it.

First of all, I think it's correct to say that the suburbanization of the United States is not a decanting of the central city at all; but it is an overspill with some spreading, and the process has been going on at least since 1920. There are early studies by Blumenfeld and many others since to show that the population in urban places of less than 350,000, as the census designates them, has increased by 50 percent since 1920. These urban places of less than 350,000 are the suburbs and exurbs, and these suburbs and exurbs are tied to the cities. The evidence in a recent study by Brian Berry at the University of Chicago for the Census Bureau is conclusive on this score. His studies show virtually no settled parts of the United States outside the journey-to-work range of the metropolitan areas, some of which are, admittedly, rather small metropolitan areas. But this study definitely shows that people are commuting from the far-out parts of these small metropolitan areas which in that respect have a very long or wide geographic pull. Many of these commuters live in counties which are rural, by census definition, since they have a population density of 100 per square mile or even less, while the suburban density is 500 per square mile.

The California perspective on this ought to be made clear here. California development in general is not so thin as that in some of the exurban places developing in the rest of the country. As a case in point, I would observe that the Los Angeles County-Orange County metropolitan development is a kind of sprawl, if we can use that word, of some 15,000 square miles of continuous development, with mean density of about 1,000 persons per square mile, about five times as large a median density as that limit set by the census for urban. So, what we really have here is a true extended city.

People elsewhere in the country trying to live in the exurban setting are, in every respect, urbanized. They are in reach of central area jobs if they want to go to the central area by virtue of ubiquitous ownership of autos and the relatively high travel speeds. And once there, in the exurban center, with television, radios, freezers, and so on, they can live at urban standards while at low density. I think that this again is something we have understated, because the popular press, or at least the New York press, has the view that a certain kind of cosmopolitan life is the measure of urbanity, rather than these amenities. In fact, in this sense, sprawling growth is a feature of almost every U. S. metropolitan area. In economic activities it is urbanized into the backwoods; but the living arrangements, which are extensively land-using, and the pressures of accelerated growth form the base of the increase in land cost. Another fact of life in California which is relatively dramatic is that building costs, on a comparable square foot basis have increased very little since 1957. But land costs within a commuting range of the central cities of California have shown a tendency to double, on the average, since that time.

This suggests one thing which I want to discuss a little later on; that is, that there is a direct market pressure as an incentive to leapfrogging, to jump over the high-cost land when looking for cheaper buildable land on which one can develop mass-produced housing, or at least large-scale housing developments. If I could stand aside a moment and act objectively, "professorializing," I would have some reflections on suburban sprawl which are slightly different from those which you read in the popular Jeremiads about this. This leapfrogging of development over potential building sites into the more unspoiled countryside is, I think, a completely explicable market phenomenon. There is one characteristic of the market which is especially conducive to such leapfrogging. That is the tendency of land owners in the near-in urban area to value their land at a very optimistic expectation of future price. Such land owners are not likely to sell land at the same price as the landholder farther out. They are constantly adjusting upward in this comparison, because they feel that their land's accessibility to the central city enhances its value when compared with more remote holdings. As a result, developers who are aiming, for whatever reason, at lower-price developments will jump over the more expensive land in search of cheaper land from which they can produce a lower-priced final product. And this is a pure market reality. They are caught in the scissors of consumer demand which wants more land, more space, for the dollar, on the one hand, and less cost of housing service on the other.

In California, to complicate this picture a little bit, large landholdings dating from the Spanish land grant system sometimes present holdouts of this closer-in land so that it's not accessible to developers. And these long-term holders contribute in their way to sprawl, for the developers operating in the more speculative market have no access to this land for homes and they are forced to bypass areas, constantly spreading the range of the metropolitan area.

Government Abets Leapfrogging

Of course it is not possible to indefinitely extend this range without some help from the public authorities. The policies of public access, I think, are among the most important reasons for our urban fringe development.

In California it would not be possible to extend so deeply south into Orange County as we have gone without the magnificent contributions of the Departments of Highway and Transportation in Sacramento, or the regional offices here in Los Angeles. In fact, the divisions of the Department of Highways and the Public Utilities Commission, along with the utility companies, are not without their share of responsibility for the pattern of development which we can observe. One can show, for example, that in Santa Clara County, which along with Orange County is the great growth area of the State measured in numbers of new residents, the developments have impeccably followed the sewer layouts of the sewer district and water district. It is a very easy thing to see on the maps in the Santa Clara County Planning Commission.

The policies of the utilities companies are perhaps less obvious than the policies of the highway people and of the districts. The utilities are less dramatic in their effect, but the economists have long observed that their pricing policies have very strongly and solidly influenced this trend. For example, there is a strong tendency to employ flat-rate utility charges without regard to distance from the utility generating center. At best, utilities such as gas and water charge the suburban new development house builder a prorated share of the cost of construction, ostensibly from the nearest trunk line; but the capacity demanded by the new unit is a section of piping, for example, all the way back through the system to the point of origin, the electrical generators and water filtration or water pumping stations. If the marginal cost of these developments is below average, as indeed it commonly is in large-capacity installations, and if the new developer or users must pay only the marginal cost, then of course they are going to be charged less for their share of production than the users who are near in. This is one of those true "laborer-in-vineyard" relations with the latecomers benefiting. Of course, it makes good sense to the utilities companies. The question is, however, what would happen if they were to put their charges on a different basis and so discourage some of the developments by adding to the cost increase. Utility costs are not a very large part of the development, but they are significant enough to enter into the calculation of builders.

Now, in California, too, we have had so much time to study this aspect of sprawl or extensive urban development, that we have begun to be—in academia at least—skilful in posing questions about the alternatives to this kind of development. Jack Lessinger, now at the University of Washington, developed a very ingenious argument about overly compact development. Lessinger argued that massive buildings of the same age and type constitute a kind of built-in time bomb of future obsolescence, or even of future slum decay. As he argues, there would not be a suffi-

cient salting of new buildings in this kind of compact development to act as a stimulus to neighborhood growth. And he argues that the market producing development on a relatively scattered basis offers greater flexibility for filling in with solid communities at a later date.

There is some strength in this argument, although it seems to presume that the real estate market is characterized by a large number of relatively small developers always on the look out for such opportunities. This may well not be the case in California, at least not any longer, however true it may be for some parts of the country. If California historically has had smaller developers there is a great deal of evidence that now the average-size builder, measured in terms of either the number of units or the amount of land he will take on, is rather a good deal larger in California than in the rest of the country. In fact, the large development enterprises are coming to be the trademark of the California building scene.

I had prepared a good many remarks about the resentment against this kind of urban fringe development based on the kind of American resentment against speculative gain that we can see written large in some of the passionate reaction of Henry George. But I think that you don't want to hear what you already know—what people say about characteristics of sprawl that make it so presumably offensive. I think there are really two camps on this subject, and in the public policy debates they will easily be recognized.

One is the group that sees the sprawl as a threat and the despoiler of the countryside. And the other tendency, concentrated out in the Claremont Colleges and some other places, takes the view that the American tradition is agrarian anyway, that the individual initiative in America has always been to open up new territory, and that this is consistent with a venerable American way of life. This argument holds that economically people seem to have elected this larger space use. The argument also says: politically they seem to prefer the small divided units to any common large political unit. I do not want to consider either of these arguments for or against sprawl in its pure form, but to look at this in the next fifteen minutes or thereabouts strictly from the standpoint of a kind of welfare economics perspective, crudely put. That is, I think there are neighborhood defects or spillover effects of these choices which are issues of public policy in America despite its agrarian tradition, and those are the issues on which I want to focus.

Even if these choices do not lead to compactment of settled urban patterns or unified governments or districts, I believe they must ultimately lead to some coordinated planning of such services as transportation, water use, parks and recreation, and a few other such public services that I think can be shown to be somewhat endangered by the pattern of development which we have adopted, but which is particularly endangered by a rather prodigal land use policy, or lack of policy.

My remarks, so far as the conclusions are concerned, are going to be only mildly pessimistic about the nature of the controls we have developed, which have not been very effective thus far. Well, quickly, some of the problems that have been raised are these.

Artichokes, Brussels Sprouts, Wines

One of the problems you hear most commonly in California is that a pattern of disastrous crop-land use has resulted from the development of urban land. I don't see that the development of agriculture is menaced by this, and if the Department of Agriculture is not exercised nationally, it's a good question whether it is a real issue. But I will take it up. I suppose the thing that sticks the California nature lover and the California agricultural fundamentalist most deeply is the fact that the urban development we are talking about is going on in the historically richest specialty crop areas and wiping out the apricots and prunes of Santa Clara and the citrus of Orange County, which are much treasured by historically-minded Californians. In the next 20 years, according to state development plan studies, urban development could take a quarter to a half of the best crop land—about 4 million acres—which remains in the urban counties today. The entire cultivatable area of Orange County is under urban pressure, that is, a relatively high demand. I have done a lot of work in the last few years in Orange County, and that seems to be upsetting some people there. Agricultural land in Orange County at present is down to about 34,000 acres of citrus growth and that's expected to fall to 10,000 acres in 15 years at the present rate of development. Well, the citrus can be, and it is, moved to the Imperial Valley. As a matter of fact, some of it, in world terms, has long ago been moved to Israel and other places, so that we have quit exporting certain citruses from Orange County to England, for example. The economist is not upset by substitution. In fact, he finds that the normal course of events. What bothers some people in California, I think, is that there are some certain specialty crops which not only may disappear from the State but even from the United States if they are preempted by our urban development. The special cool north central seacoast production of artichokes and Brussels sprouts is the favorite case.

I am fond of an anecdote about this. It is about a very impassioned plea in defense of the scrubby artichoke in the coast area. I happened to be with a friend in the Bohemian Club in San Francisco for dinner, and one of the guests next to me was a great grower of artichokes. So I decided to ask him point-blank what he would do if urban development came his way. He said, "As soon as the price gets above \$4,000 an acre I am going to sell it." And I said, surprised, because we were enjoying an elegant dinner, "What about the preservation of the artichoke for the tables in San Francisco?" He said, "Let them grow them in Italy. They are dying to grow them in Italy." So I think that this is the general view of the investor-farmer as compared with the conservationist. In fact, I can't get excited about this argument in general. The total land area in California is certainly adequate.

The only issues that remain, and they are delicate ones for public policy, are these: first, the uniqueness of certain areas—if they can be established and defined in world terms as truly unique; secondly, the comparative advantage of the peculiar growing conditions of these areas, because the question might be raised, in the social cost sense—if we had

any social cost mechanism here. This is all well and good, but if the artichokes or the Brussels sprouts or the plums are that valuable, and if this land is uniquely suited to them and no other land in the state can be used for them in substitution, why not subsidize their production in some way, or alternatively subsidize the development, if it can be made to go elsewhere? In other words, why not have a policy to lead development away from some of these areas? That of course is very complicated.

I do take a very dim view of plans to develop the Napa Valley, for personal reasons, and I have had occasion to survey the area in California suited to Grade A internationally desirable table wines. That area in California is very small now. It's down to about 100,000 acres, and if some of the best acres are taken out of production in Napa, we will all feel it in our drinking habits.

What to do about this kind of concern? There has been a great tendency in California to tackle this problem by discriminatory zoning, by allowing the agriculturalist a benefit in tax assessment for holding the land designated in such and such areas out of development for a given number of years. These have been spectacularly unsuccessful; the loopholes in such zoning have been obvious to everybody. The opportunity to make windfalls at the expense of the county assessors has been transparently clear. As a result we haven't accomplished anything with this. In fact, the problem of negative controls, so far as I am concerned, is a persistent problem, and I am not one of those who has great confidence in zoning.

I think, furthermore, that if one wanted to save the best agricultural land he would suddenly find himself zoning the flat plains of Oxnard, San Fernando, Pomona, San Bernardino, Riverside, Los Angeles, and Orange against development. But these are the very areas in which the development now is directed, and I think it is unlikely that they can effectively be held. I think it will be necessary for California to select certain peripheral areas of mixed desirability and try to sterilize those by public policy, now directing development of urban centers away from them by a highway system and a host of other considerations. For this reason, I am overwhelmingly opposed to the policy of the State Division of Highways of running a six-lane highway down the center of the Napa Valley.

There are also, it seems to me, certain unique and irreplaceable natural uses, even though the economist can hardly fit them into his theory. Now, the headland promontory, cliffs and beaches, and sand dunes at the ocean front, and the bays, the marshland, and so on, I think, are the special concern of the public. It has long been my position that the Federal Government, for example, should acquire all of the seacoast of the Nation. It's my view that the State of California ought to have a firm position on such islands as those in San Francisco Bay. The Legislature has been concerned enough to create a Bay Area Conservation Commission, but that has been an inconsistent and mixed program. The guardian of it has recently died, and the potential influence of the Commission has not been exercised.

So, the chances of losing some of these areas seems to me still to be

great. I am not arguing that the Federal, state or local governments should administer them; but they should secure title to unique and irreplaceable areas like coastlines. It's my view that they should use such bag of development powers as they have to do it, that afterward they can be content with seeing that they are well managed.

The preservation of water and air in the course of this development also interests me very much. I think that to anyone who lived in this area 20 years ago, it's unmistakably clear that development has changed the microclimate, the Mediterranean type microclimate of Southern California. There is no question in my mind but that a whole host of policies in agriculture changed these climates; that they also have affected in various ways the capacity for future development.

For example, the draw-down of the water level has led to a good deal of subsidence and sliding of land in this area, making it a case in which one man's development destroys another man's development and we do not yet have a very clear policy on this. Reservoir facilities have been built upon and, in fact, people build continuously in flood plain areas, and then we are called upon nationally to come to their rescue with great flood relief programs. This is another way of saying that the people who live in flood plains make the rest of the people pay for their insurance.

Irrigation is an enormous water user, and not many of us realize irrigation is a great atmosphere maker. The enormous transpiration from irrigation produces clouds. You can actually make clouds by irrigation more easily, in some cases, than you can by seeding them by crystalline deposits. Well, I am upset that in this present pattern of development, the public agencies have no policy of any kind as to the desirability of any of these programs other than the traditional American principle which goes way back to our early land grants—a principle that the public should make it possible for the individual to make money on the land. I think this doctrine is somewhat outmoded. I think the doctrine might long ago have been modified to be a public doctrine of making it impossible for someone to monopolize land by publicly-aided policy. I think it's one of the most deplorable aspects of contemporary development-patterns that major public users, in many cases, armed with eminent domain, can commandeer public land in the course of their development without clear policy directing them.

Now, in the San Francisco Bay area, we are getting a little sick of the plans of the Highway Division in biting off pieces of a park, even though this would be common throughout the Nation, and even though it be marvelously convenient sometimes for avoiding the problems which go with land acquisition. The public agencies find to their great relief that there are no complaining constituencies in these parks; or so they think at the time of condemnation or of the public plan for acquisition. No one lives there. Well, in San Francisco, for a little bit of the Golden Gate Panhandle, there suddenly appear to be a good many people who would be deprived of bed, if not board, because they sleep there, and they provided a core of very stiff resistance. Furthermore, I think the public land is the only undeveloped part of the area to which the pro-

posed improvement will run. As a result, the developers wish to free themselves from a too tight situation by securing some public or open land which gives them development flexibility. The most direct loser is the park and playground constituency, particularly in large park systems which, in many areas, are the precious acquisitions secured by the foresight of an enlightened earlier generation. If that sounds too soft-headed, I will apologize.

But virtually, we are running out of time. I want to quickly summarize some of my remarks about the development pattern as I see it in California. The low-density, scattered pattern of development, it is argued by some people, results in excessive public cost for utilities, roads and streets, and public services. But there is no doubt that it provides, in private terms, not just the best profit opportunity because of conditions of the market, but, frankly, the best service to the individual homebuyers, who are getting the most space for their money in these developments.

The loss of agricultural land is another objection to the pattern of urban development. This objection stems both from an adherence to agriculture as an intrinsically desirable way of life, and from those who hold that the existence of agricultural property serves to provide flexibility for future land development and offers open space for the enjoyment or edification of members of the metropolitan communities, such as through sniffing the fragrance of the spring blossoming in the fruit country.

Zoning Adds to Speculative Fever

Now, there is a kind of resentment against the presumed great gains from speculation in land. But I think that this speculation in land is not really grave in the cases where land speculation goes on without the aid of public agencies. It becomes great with the action of public agencies which, I think, therefore have the responsibility, if they wish to avoid this speculative gain, of devising a proper policy of capturing the surplus.

Finally, I think the present pattern of urban development is a threat to wipe out the investment sunk in the older established cities by offering new units outside the city which accelerate the obsolescence of the older city. I think this is not a serious objection here in the West. It may be in eastern cities, but it's my view, again, that if one sees this as a problem of national capital there's plenty of evidence that Federal financing policies, which ought to be some expression of custodianship of that capital, are certainly one of the worst offenders. It is said that the extensive building which we had after World War II was largely the result of VA and FHA loan-guaranteed programs.

Well, in general then, I am of this view: that there are problems, not general problems, but unique problems of the scattered or spread land development; that these problems cannot be met by holding operations of restrictive zoning, which will only add to the speculative fever in the adjoining areas, but they must be met by aggressive development policies;

that governmental agencies have two such policies directly at their disposal—one, a whole host of financing devices, and secondly, the direct development activities of highway divisions, controlled utilities, and so on.

Finally, I have the view that the uniqueness—where it can be spotted—of natural sites or land creates a monopoly condition, and that, just as in any other monopoly conditions where there would be some loss of social welfare, there is a case for direct government action here. I think the government just ought to acquire those unique situations. And if there are too many of them, it's only proof that their criterion for uniqueness is not too good.

Thank you.

MR. BAKER: Thank you, Mr. Dyckman. I am sure you have stimulated many questions by the Commission. But we will ask them to respond a little later, after we get into our afternoon session.

(Adjournment.)

*Aliso Village Community Center
Los Angeles, California
Afternoon, July 1, 1967*

MR. BAKER: Ladies and gentlemen, shall we begin?

We are indeed fortunate this afternoon to have on our panel two very distinguished gentlemen: Mr. Palmieri and Dr. Fred Case.

Mr. Victor Palmieri¹ is our first speaker.

Mr. Palmieri.

STATEMENT BY VICTOR PALMIERI

MR. PALMIERI: Thank you Mr. Chairman and members of the Commission.

As you heard, Mr. Baker said my name is Victor Palmieri, and I am President of the Janss Corporation, which has been involved in large-scale community development in Southern California since the turn of the century. For the past seven years the Janss organization has been a principal factor in the development of the new community of Thousand Oaks in Ventura County. I'll tell you a little about that community today in the hope of relating our experience to the conditions which govern the Southern California housing market. I have focused this presentation on the Southern California housing market and some barriers to lower-income housing.

When we began the Thousand Oaks development the local population totaled 3,200. It now numbers close to 40,000. It should reach

¹ President, Janss Investment Corporation, California community developers, with interest also in resort communities, and in the cattle-feeding industry. Member of Board of Trustees, California State Colleges; member of former Governor Brown's Coordinating Council on Urban Policies, the Governor's Commission on Metropolitan Area Problems, and the Advisory Commission on Housing.

100,000 by 1975. This type of growth has been the dominant feature in the Southern California housing market throughout the postwar period until 1964, when the nationwide slowdown in residence construction occurred, which still continues.

Since the 1960 census Southern California has accounted for two-thirds of the population increase in the entire State of California, half of the increase of the 13 western states and one-seventh of the increase in the United States. Since 1963, net migration has fallen off substantially, but this decline has been offset by a rise in the natural rate of increase.

The relationship of these factors to the recent slowdown in the local housing market is seen in an exhibit which I am submitting with this statement showing that the Southern California (14 counties) population increased by 1.9 persons for every new dwelling unit in 1963. In 1966, it increased by 5.2 persons for every new dwelling unit. The fact is, that in 1963 residence construction in the 14 Southern Counties totaled approximately 207,000 units and in 1966, approximately 59,000 units. So you can see that population, contrary to some of the received wisdom but based on the latest figures from the Department of Finance in Sacramento, is continuing to increase in California at a rate approaching 1,200 to 1,300 persons per day.

The residential construction picture, on the other hand, based on the latest figures for March and April of this year, shows no apparent tendency to come back to the levels of 1963, and 1967 should present just as melancholy a picture as 1966 did.

The Janss Thousand Oaks development is characteristic of the Southern California housing market in some other important respects also. It owes its existence to the freeway system, which suddenly put a large block of relatively low-cost land within the commuting range of major metropolitan employment centers, notably those in San Fernando Valley. This, together with the attractive terrain and climate, made it possible for us to induce home buyers to accept the longer journey to work in return for a better housing value and more space and a more attractive community environment.

Futhermore, that community, so far, is almost entirely a development of single-family homes in the \$20,000 to \$30,000 price range, housing bought predominantly by young, white, middle-class families, with incomes averaging over \$10,000 and incredible numbers of children. At latest count 23 elementary schools have gone into operation within the space of six years. Meanwhile, again in characteristic fashion, the community has incorporated, and the new city, with its tiny staff and municipal budget, is confronting all of the economic and political and human problems brought on by rapid growth and sudden change.

Happy Home Buyers, Unhappy Urban Designers

I have at this point described a more or less classic Southern California suburban setting of the type that spells happiness to the home buyer and unhappiness to the urban—or should I say super-urban?—

NUMBER OF FAMILY DWELLING UNITS AUTHORIZED COMPARED TO POPULATION GROWTH IN SOUTHERN CALIFORNIA

County	Population Increase					Dwelling Units Authorized					Population Increase Per Dwelling Unit Authorized				
	1960-66					1960-66					1960-66				
	1960-66 7 Year Annual Average	1963	1964	1965 ^p	1966 ^e	1960-66 7 Year Annual Average	1963	1964	1965	1966	1960-66 7 Year Annual Average	1963	1964	1965	1966
Los Angeles	143,114	162,050	132,850	107,400	88,900	69,156	106,375	89,816	53,193	21,300	2.1	1.5	1.5	2.0	4.2
Orange	84,078	98,400	87,600	80,000	78,500	25,348	36,962	28,463	17,460	12,670	3.3	2.7	3.1	4.6	6.2
San Bernardino	23,586	29,950	29,805	26,800	20,200	9,140	14,937	12,669	6,099	3,489	2.6	2.0	2.4	4.4	5.8
Riverside	20,957	23,650	23,550	24,050	24,800	6,777	10,370	9,495	6,810	2,739	3.1	2.3	2.5	3.5	9.1
Ventura	18,578	23,300	24,350	18,950	15,300	6,440	9,263	8,846	5,937	2,609	2.9	2.5	2.8	3.2	5.9
Santa Barbara	12,586	11,850	8,400	6,700	4,400	4,527	6,480	3,136	3,349	1,420	2.8	1.8	2.7	2.0	3.1
San Diego	35,929	19,750	20,700	39,500	52,800	11,227	12,814	13,997	9,535	7,459	3.2	1.5	1.5	4.1	7.1
Imperial	736	1,050	950	850	1,100	510	658	1,208	651	289	1.4	1.6	0.8	1.3	3.8
San Luis Obispo	3,407	2,250	2,400	2,400	2,500	1,103	1,287	1,011	987	461	3.1	1.7	2.4	2.4	5.4
Inyo	450	600	750	550	400	83	119	116	154	140	5.4	5.0	6.5	3.6	2.9
10 Southern Counties	343,421	372,850	331,400	307,200	288,900	134,311	199,265	168,757	104,175	52,576	2.6	1.9	2.0	2.9	5.5
Fresno	8,086	6,350	7,750	8,550	7,400	3,373	3,431	3,568	3,363	2,847	2.4	1.9	2.2	2.5	2.6
Kern	6,343	7,700	7,600	5,000	3,700	2,422	2,466	2,227	2,242	1,686	2.6	3.1	3.4	2.2	2.2
Tulare	3,643	3,800	4,600	4,600	4,100	1,118	1,296	1,186	1,209	1,363	3.3	2.9	3.9	3.8	3.0
Kings	2,657	3,950	1,000	850	1,000	556	374	292	411	271	4.8	10.6	3.4	2.1	3.7
4 San Joaquin Valley Counties	20,729	21,800	20,950	19,000	16,200	7,469	7,567	7,273	7,225	6,167	2.8	2.9	2.9	2.6	2.6
14 Southern Counties	364,150	394,650	352,350	326,200	305,100	141,780	206,832	176,030	111,400	58,743	2.6	1.9	2.0	2.9	5.2
44 Northern Counties	186,421	187,850	175,650	166,800	163,900	70,936	98,692	84,167	68,797	38,957	2.6	1.9	2.1	2.4	4.2
California	550,571	582,500	528,000	493,000	469,000	212,716	305,524	260,197	180,197	97,700 ^e	2.6	1.9	2.0	2.7	4.8

p = Preliminary e = Estimated

Net In-migration		
1964	1965	1966
352,000	310,000	270,000
California	369,000	

Source: *Survey of Building and Real Estate Activity in the Fourteen Southern Counties of California, 1967*, prepared by Research Division, Security First National Bank, Los Angeles

designer. However, Janss Thousand Oaks enjoys certain features which are not altogether typical of the new suburban communities that, hopefully, may be redeeming. Perhaps the most strategic of these is the presence of a basic employment center called the Rancho Conejo Light Manufacturing and Research Center, which we developed concurrently with the first subdivisions in 1961, and which now provides almost 5,000 jobs.

The firms now operating there include Westinghouse, Northrup, Packard Bell, and a variety of other technically oriented companies. Nearby is the North American Basic Science Research Center, a major research facility, with a campus setting so unique we were able to locate it in a residential area. Metro-Goldwyn-Mayer holds an option on a major portion of the undeveloped land in Rancho Conejo and has recently announced that it is considering construction of a new motion picture studio complex with an entire employment of over 3,500 persons. These facts suggest the dimension of job flight which is taking place in metropolitan areas throughout the country as the central cities lose their hold on manufacturing employment.

A second unusual aspect of Janss Thousand Oaks lies in the fact that there are now over 1,500 acres of parks and open space which have been dedicated to public use.

A third is a master plan, which provides for a gradual transition to an urbanized town center ringed by higher-density multiple dwellings and separated by little parks and open spaces from the lower-density housing areas that have dominated the earlier phases of development.

A fourth is the Planned Development Zoning Ordinance which we sponsored to promote more flexibility in subdivision design, and particularly to provide for a better relationship of open-space areas to the housing units. As you undoubtedly know, there are now under way throughout Southern California a number of large-scale, new community developments sponsored by private development firms or major land-owners incorporating all or some of the features I described in relation to Janss Thousand Oaks. In terms of planning and design, these projects generally represent a substantial upgrading in the standard reflected in the massive suburban explosion of the 1950's. Almost without exception they involve major commitments to open space and recreation, to educational and cultural facilities, to community needs of every type, which usually remained unfilled in the surge of postwar housing generated by merchant builders.

In terms of the market, however, they are all—Janss Thousand Oaks no less than the others—limited to that segment of the buying public that can afford a home costing at least \$20,000. Inasmuch as this generally requires a minimum of \$700 per month it's clear that the new planned communities are in no better position—probably worse, in fact—to serve the lower-income market than the typical subdivision of the postwar suburban sprawl. The primary, although not the only, reason for this is cost. The typical 6,500- to 7,000-square foot lot cannot be improved for less than \$3,500. Southern California land costs for a lot of this type will average around \$3,500 to the builder. Assuming a

1,200-square foot house costing \$8 per square foot to construct, we have a minimum cost of \$16,600 before financing or sales expenses and administrative overhead, which will add at least \$2,000. This leaves a pretax profit of only \$1,400 per house or 7 percent on the sales price, which is not a particularly attractive return in terms of the management efforts required and the economic risks involved. Of course, the large community developer does not own his land at the merchant builder's cost of \$3,500 per lot. On the contrary, his economic *raison d'être* lies in converting relatively low-cost land to relatively high-priced land. To do this requires a "front money" investment of several million dollars, and the net effect invariably throughout Southern California is to make the \$20,000 housing package not merely the minimum but more a kind of loss leader, with the average price level nearer \$25,000 or even \$30,000. The implications in this are seen more clearly if it's noted first that the purchase of a \$25,000 home requires a minimum monthly income of \$900, or roughly \$10,000 per year; and second, that less than 25 percent of California households have such an income level.

By contrast, in Janss Thousand Oaks, over 55 percent of the households have incomes over \$10,000, and in the San Fernando Valley approximately 45 percent, which goes to prove, I suppose, a marketing point. It's important to note, however, that another 25 percent of California households are in the \$7,000 to \$10,000 bracket. And these people are definitely in the market for new housing. They simply have to stretch their incomes to pay the costs.

Now, at the same time, the filtration or trickle-down process which traditionally has opened up better housing to lower-income families is less effective in California than in older areas of the Nation. Over 40 percent of the housing stock in this state has been built in the last 10 years as compared to something under 25 percent for the rest of the Nation. As a result, most mortgages are comparatively new, and debt service stands as a continuing barrier to lower-income families. A related factor which exerts an upward pressure on the price structure of new housing throughout Southern California is the tendency of local political subdivisions and planning authorities to use large-lot zoning as a barrier to lower-income groups. This is usually done under the political banner of "protecting the prestige community."

Realities of Low-Cost Housing in Central City

This brings us to the question of the situation in the central city, where the bulk of Southern California's lower-income families are located. According to 1965 estimates, 800,000 people in Los Angeles County are members of families which have an annual income of less than \$4,000. In the same year there were 344,000 people in the county receiving state welfare payments of some sort.

In the predominantly Negro areas of central and south central Los Angeles, and east Los Angeles, which has a heavy proportion of Mexican-Americans, the 1960 census indicated a median family income of \$4,613 per year compared with the median family income of \$7,066

for the entire county. And 28 percent of the families in these areas had incomes of less than \$3,000 per year.

These figures make it plain that without substantial subsidies in the form of long-term submarket interest rates, loans, or rent supplements, the vast majority of these families have no hope of participating in the market for new housing. Moreover, while the present situation is bad it's also getting worse. Throughout the Nation as a whole, family income has increased 14 percent between 1960 and 1965, and during the same period family income for nonwhites increased 24 percent. By contrast, in south and east Los Angeles, family income during the same period decreased 8 percent. To complete the picture, it should be pointed out that in south, south central, and east Los Angeles, only 23 percent of the homes are owner-occupied, against about 52 percent for the state as a whole, and the rate of owner occupancy of nonwhites is only 10.7 percent. (We must be very careful of a nonwhite statistical category in Southern California, which is totally misleading because it includes Orientals, who really ought to be classed, for income and housing purposes, separately or perhaps even with white families.)

According to the 1960 census, 48,000 homes in this area were dilapidated. This figure represents one half of the total substandard housing found in all of Los Angeles County.

I hope you will forgive me for this statistical outpouring. What I mean to suggest is that whatever may be the confining areas of the new housing market in the suburban-exurban area of Southern California, there is no new housing market in the central area.

In view of this analysis of the cost-price structure in the suburban housing market and the income deficiency in the central city, the obvious question is how the bulk of Southern California families manage their housing needs. The answer is simple. First, most new houses are bought by those in the top 30 percent of the income scale. Second, lower-income families generally pay more for housing than they can afford. Generally it is accepted a family should not spend more than 25 percent of its income for housing. Yet in 1960, 400,000 renter households in 10 metropolitan areas in California paid 35 percent or more of their income for shelter; significantly, 95 percent of these families earned less than \$4,000 per year. It's very clear, therefore, that these families simply had to forego other necessities. Similarly, in the case of homeowners, the 1963 report of the Governor's Commission on Housing states that in 1950 a family earning \$740 per month spent about \$12,000 for a home. In 1960, a family with the same income spent \$17,000. This represents an increase of 35 to 40 percent over the decade. As I indicated earlier there has been a further substantial increase since 1960.

One point, in fairness, that has to be noted is that there has been also a lengthening of the pertaining amortization terms; that is to say, the 15- to 20-year amortization rates of the 1950's have now given way to the 25- or 30-year amortization rates, particularly on the conventional financing side. This has a masking effect on the trend, because it does not obscure or alter the fact that people are spending more of their incomes; but it largely prevents the kinds of crises that I think might

easily have occurred otherwise with the population growth that we were having in this state.

Needed Elements in National Policy for Housing

Turning finally to the issue of national policy and its application to the housing needs of the community, I suppose it's clear that the most relevant Federal programs are: first, those aimed at maintaining a high level of prosperity and a high level of employment; and second, those aimed at enlarging the share of these benefits to the lower-income segments of the population. As corollaries to this general theorem, however, I would note the following propositions:

1. The steady enlargement of the racial ghetto constitutes a positive menace to urban Los Angeles, as well as to other cities of this Nation. Immediate and positive action to bring about some measure of ethnic diversity in these areas is urgently required. I am submitting as an exhibit a previously published paper¹ in which I have urged that the location of new public facilities, government office buildings, public educational and medical and legal facilities, all the institutions that can command their white constituencies to come to them during working hours, at least, be made the prime pivot of an action program. I am submitting also a paper by Mr. John Buggs,² formerly Director of the County Human Relations Commission and now with the Department of HUD, which further underscores the urgency of this issue.

2. The regeneration of the central city cannot be approached effectively or fairly without attention to the problem of providing housing for lower-income families in suburban areas. Without avenues of escape and dispersal these families lack, not only a measure of choice that simple justice demands, but also the motivation and incentive that can play so crucial a role in breaking the cycle of failure that characterises the poverty culture of the central city.

3. Given the relatively rigid cost-price structure of new housing, there is only one way of putting the ownership of new housing within the reach of lower-income families. That is by way of long-term submarket interest rate loans. This does not necessarily mean that these would have to be direct loans from the Federal Government. A credit guarantee coupled with an interest subsidy could be developed so that private institutional capital could be brought into play. It does mean, however, that the stringent limitations and incredible complexities of existing submarket interest rate programs, such as 221(d)(3), would have to be eliminated.

4. Again with respect to enlarging the home-buying opportunity of lower-income families, it is absolutely mandatory to sidestep the traditional FHA approach to risk-underwriting. FHA has served its purpose

¹ "Hard Facts about the Future of Our Cities," *New Perspectives*, Vol. 1, Spring 1967.

² Mr. Palmieri's and Mr. Buggs' exhibits were placed in the Commission's files for study.

effectively with respect to lower-income programs. This is not, incidentally, because FHA does not favor low-income buyers. The problem is more complicated than that. For one thing it has to do with the fact that FHA cannot bring itself to underwrite programs for low-cost housing in lower land cost areas.

We have, for instance, been in discussion with the agency to bring in a 221(d)(4)¹ into an outlying suburban area in which we were prepared, at what we thought considerable future-profit sacrifice, to put land into a lower-income housing configuration. The agency's position was that in terms of investment risk the area was not mature enough, in many categories of traditional investment analysis, to make low-income housing a secure investment.

Our position was that this probably was true on any traditional analysis; but that by the time those factors were obviated, and the area was mature enough, there would be no low-income housing. We parted in good spirits, but not much more than that.

In this connection, I would note that California, in its extensive system of commercial banks and savings and loan associations, has the Nation's most effective institutional lending structure for home financing purposes. I see no reason why criteria could not be developed under which it would be in the public interest for these private institutions to lend their capabilities to a new program of the type I have suggested.

5. Finally, in the rental area, I believe that the main point of leverage lies in the possibility of increasing the effectiveness of the trickle-down process through a liberalized program of rent supplements. If such a program could be made compatible to housing units of all types, including not only apartments but also houses—including tract houses built for sale—there would be an immediate enlargement of the range of choice for low-income families, and a significant contraction of the surplus inventory which continues to burden the Southern California housing market. Again, I believe that criteria could be developed which would adequately protect against the hazard of private windfalls and safeguard the public interest.

This Commission is faced with an important task and a challenging opportunity. For 30 years now this country has shaped its purposes towards the goal of a better life for all its people. But it has yet to decide whether that goal encompasses a decent home for every American. I hope your work will bear on this great issue. I wish you luck and I wish you courage.

Thank you.

MR. BAKER: Thank you very much.

¹ Provides for financing of construction or rehabilitation of various types of rental housing for low- or moderate-income families, with priority for occupancy to those displaced by urban renewal or other governmental action. Applies to five-or-more-unit structures. No workable program requirement.

Our next speaker is Dr. Fred Case.¹ Since 1951 he has been a professor at UCLA Graduate School of Business Administration. We are very pleased to have you with us, Dr. Case.

STATEMENT BY PROF. FRED CASE

MR. CASE: I'd like to add one or two more bits of background so you will understand some of the things I am going to say. As an economist in the University I feel that the problem with cities is that we haven't yet recognized that they are basically economic units, and that the extent to which political controls fail to recognize this, to that extent we get a bad city. I have spent four years on the Los Angeles Building and Safety Commission, where among other things, we were trying to use building codes to conserve neighborhoods and improve property. I have served with the McCone Commission, looking particularly at south central Los Angeles and the riots there, and offered about 15 suggestions.

The thing that I am trying to say to you is I am a little gun shy of commissions. I think you gentlemen know well the problem, and you probably have heard most of the answers.

I would suggest that maybe one source of fruitful exposure would be to look for the centers of power, and be sure that the centers of power are the ones who hear the recommendations, and the ones where pressures are placed to get something done.

Where the power to get things done is located, I do not know, because I have been as high as the Governor's office and I still can't find it. I say this because from my experience with these various commissions and my observations of Los Angeles I find that the real problem in Los Angeles is one that we well know: there is a lack of leadership in this urban area.

The City of Los Angeles, for example, theoretically should be the center of leadership, because it's the largest city. When we look to this city we find that the Mayor himself has little power outside his jurisdiction; so that, for example, if we are trying to get uniform building codes that will do something by a vote of 80 cities, the City of Los Angeles has one vote. More than that, the Mayor has his power divided between the City Council and a series of commissions and independent public bodies, each of which can make its own decisions.

We have had some attempts on the part of private citizens to create a regional planning group. We also have SCAG—Southern California Association of Governments. I would compare the kinds of organizations we have in Los Angeles to the United Nations; excellent forums for debate but not very good places for getting much done; excellent forums in which the truth sometimes can be changed to become untruth and

¹ Member of Citizens Regional Planning Association of Southern California. DBA, Indiana University. Author: *Minority Families in the Metropolis*, Research Report No. 8, Graduate School of Business Administration, University of California 1966; *Tax Rates and Land Use in Los Angeles County*, Reprint No. 40, Graduate School of Business Administration, University of California, 1965; *Conserving, Improving and Financing of Real Estate in Older Neighborhoods*, Graduate School of Business Administration, University of California, preliminary draft, 1966.

untruth truth, so that it is difficult sometimes to know what is really going on after the debate is finished.

Let's look at Los Angeles City and see particularly what I mean. In 1948 in the city of Los Angeles the San Fernando was relatively undeveloped. The city area of the San Fernando Valley was equal in size to the City of Chicago. The city planners could have done something about planning in that particular area. But they did nothing, and look at what happened. I mention this because the City recently had the opportunity to take control of an area the size of San Francisco in the Santa Monica mountains, and the best it has come up with there is a sort of a holding plan which is being breached again and again by a variety of agencies simply because we have no leadership. In fact, the city of Los Angeles has never had a master plan, and it does not intend to have one until 1970. I estimate that by 1970 there will be so little land left in which planning can have effect that the only function of a master plan will be to correct past mistakes.

Fragmentation of Power

Let's look at what happens in terms of the fragmentation of power we find in Los Angeles. Briefly, for example, suppose there is a master plan. Suppose the City Planning Department does approve a type of unit for a particular area. Then the Zoning Appeals Board can override the decision. The Planning Commission or the City Council can override the decision. Of course, if all of these agencies agree on the use of the plan, then the Building and Safety Department can impose difficult-to-meet building code limitations and economically prohibitive types of land improvements. Finally, even if the building code inspectors agree with the planners the tax assessor can levy taxes on that land which would make it impossible to use.

For example, in Baldwin Hills we had an excellent garden-type apartment development placed there in the thirties which had good arrangements of buildings and open space. I once asked an employee of the assessor's office why there weren't more similar kinds of property, and he said, "Well, because that open land is too valuable. We decided that we had to put a high assessed value on that land." As a result you find surrounding Baldwin Hills has very dense types of apartment dwellings that simply create urban problems. I certainly wish the Janss developers well in their current efforts to preserve open space in the Conejo Valley in Los Angeles County, but if the assessor has his way, I would suggest later they will find such open space too expensive to retain. But even if taxes are not raised, the School Board, for example, may decide that they will not build a school in a particular neighborhood and so make an otherwise attractive neighborhood undesirable for families with children.

Other threats to good planning are the National Government, with its highway system, and the State Highway Commission, which may decide that they will split the community by putting a broad highway or freeway right through the middle of it. The Public Works Commission may

take parts of the area for streets and utilities. Others in authority may require that parts of an area be dedicated for streets and sidewalks. Utility companies can destroy any plans for esthetics by putting all kinds of power lines and similar facilities right through the middle of the community.

In other words, this kind of fragmentation is the reason why we have 80 cities in Los Angeles County. But it's also the reason why Los Angeles City itself consists of what I believe are two distinct types of cities.

In that connection, I have given you a few copies of this little monograph I wrote called *Minorities in the Metropolis*.¹ In that I point out that what we have in Los Angeles are two cities—one, the basin city of Los Angeles; two, the suburban city. The suburban city extends into the San Fernando Valley area that I mentioned earlier, but the central, or basin, portion is the area, for example, in which the riots occurred, the portion in which the decay is found. It is a portion in which 90 percent of all our Negro families are found. It's an area in which about 60 to 70 percent of all our Mexican-American families are found, et cetera.

One of the things I consider interesting is that, if you take a map showing the varieties of freeways and major traffic arteries in this city, you find that the Highway Commission—either by accident or intent, or for some other reason—has managed to use its freeway and highway system to create a series of isolated communities; so if you want to find out where the bulk of the Negro families are located you will find them neatly surrounded by a group of freeways.

I won't mention the statistics. I think Mr. Palmieri has covered those very well. It's sufficient to say that in the central city we find the process of decay and isolation accelerating rapidly. It's the portion of the city that is affected most heavily by pollution. It is a portion of the city in which residents are affected most consistently by various governmental agencies without being given opportunities to express their preferences.

Since all of you have probably heard of Watts we might take a minute to look at Watts as an example of what the problem is like.

In Watts, which was basically a post office address between 1960 and 1965, the percentage of sound housing declined from about 81 to something like 74 percent. The percentage of units in that area that were 20 years of age or over rose to 52 percent, suggesting that decay from now on will hasten the percentage of nonwhite occupied housing, which is now 90 percent in that area. The interesting thing, though, is that house prices in that area in the five years between 1960 and 1965 rose from \$9,800 to \$13,000, and rent rose from \$63 to \$73. Average family income in this same period rose by only \$500; so that the average income today in that area is about \$5,800. The families there are simply losing the battle of economics, even though average unemployment declined from 15.6 to 13.2 percent of the male civilian work force.

In studies which I am now completing on code enforcement and

¹ Op. cit.

financing and availability of funds, I suggest that even Mr. Palmieri's idea of a long-term loan at low cost simply will not solve the problem for most of the families. I think basically at some point we have to recognize that some portion of our urban areas require subsidization. If we don't subsidize it directly through grants we subsidize it indirectly through higher taxing.

The other thing I wanted to talk about is the process that seems to cause these kinds of events to occur. There are four elements which, I think, are keyed to the problem that need to be looked into more carefully. These are: first, zoning; secondly, planning, because I find that in Los Angeles, at least, planning and zoning are not necessarily coordinated; thirdly, there are the building codes, and finally, the tax assessment policies.

Zoning is established on the assumption that the best kind of urban living can be created through the organization of special districts within which a single type of land use would be permitted. The zoning applies primarily to placement and size of structures. But this standard changes, of course, as living changes. Zoning and the master plan—the instrument used to guide or implement zoning—rest on the assumption that private property essentially should be inviolate and should be disturbed only when public health, welfare or safety are threatened. As a result, we find that good planners always talk about the need for flexibility in zoning and in planning. In 1948, with the San Fernando Valley relatively unused, there was a portion of it set aside for industrial uses. But the rate of population growth became so great that the pressures of the market place and the attitudes about zoning and private property, meant that the industrially zoned lands, the land that was ideal for industrial purposes, was turned into inexpensive, close-in residential developments. In subsequent years the residential use proceeded so fast that there never was enough industrial land to preserve or maintain in the Valley. Now that the Valley is fully developed the residents of the Valley must get some place to work. As a result, they call upon the State Highway Commission to create a broad freeway from San Fernando Valley into central Los Angeles so that the residents of the Valley now must make a daily journey from the suburbs into the central city for employment. It's interesting, I think, that not only did the freeway construction remove a lot of property from the tax rolls, not only did it create an increasing amount of air pollution, but somehow or other it seemed that the best place to put this freeway was through much of the area where our minority families and low-income families live, the areas where the low-cost housing should be found. This, of course, is one explanation for the series of isolated cities that now exist in Los Angeles.

The freeways have an even more important impact on the living conditions of central Los Angeles. A freeway creates pollution that makes residential living undesirable for an area of approximately half a mile on either side of the freeway route. A dangerous noise volume from freeway traffic adds a corridor about a mile wide on either side, so that the residents in homes where freeways have been placed find that areas next to freeways are poor places to live.

On the other hand, these locations are excellent for industrial and commercial uses. So we find slowly, through piecemeal fashion, an industrial plant first buys a house, obtains a zoning variance, puts a small parking lot on the place, and buys the house next door, increases the parking lot, making the block, therefore, undesirable for residential uses. The firm then is able to buy the remaining properties and the area is changed to industrial zoning. With one block thus changed for industrial zoning, the other blocks can and will be zoned for industrial and commercial uses. The people owning residential property look at this process and say, "Why should we bother to keep up our properties? If we wait long enough we will get a good price for them from industrial buyers. But, more often than not, the tax assessor comes along, looks at the property and says, "I don't care what the zoning is. I do know that the market price is putting a certain value on your property and that is what I am going to assess it for." Unfortunately, the private home owner may not be able to pay the increased taxes because he is not realizing income from his property. However, this is of no interest to the assessor, who cannot legally fail to recognize the rising market value of the property.

This process in the Watts area has created a changing situation in which the low-income families cannot afford to keep the properties they own, nor can they afford to buy properties in the area. Census data for 1960 and 1965 on property value changes in Watts, provide evidence that by 1965, as compared to 1960, prices had increased by 35 percent, and rents increased by 15 percent, while family income increased by an average of less than 1 percent. The net result is that the families, in order to survive, have to crowd even more into less and less space. So we have increasing amounts of crowded, unsanitary, undesirable living that create an undercurrent which supports urban riots.

To show you how difficult it is for the families in Los Angeles, I think you should realize that a family or a house today in the City of Los Angeles couldn't be built on a city lot for less than \$20,000 to \$25,000. Since most of the minority families have incomes of \$3,500 or less, they cannot enter the market.

If we may look briefly again at code enforcement as a means of upgrading properties and removing blight, I think it's interesting to notice that when the City of Los Angeles introduced its first code enforcement program 350 residential properties were inspected and approximately 345 of them were demolished and the vacant land improved for other uses. Fortunately, in this case, most of the owners were able to realize enough by selling their properties so that they could acquire property elsewhere.

MR. BAKER: *Excuse me, Dr. Case, could you repeat those prices you gave a moment ago?*

MR. CASE: Cost to build a house?

MR. BAKER: *Yes.*

MR. CASE: You would find it very difficult, according to the Southern California Residential Research Committee's report on the average

construction costs in the City of Los Angeles, to build a house on a lot for a total investment of less than \$20,000 to \$25,000.

MR. BAKER: *That does not include the land?*

MR. CASE: That would include the land if you could find it at that price. But in my area, for example—west Los Angeles, Pacific Palisades—you might possibly get a lot—a lot only—for \$15,000 to \$20,000.

MR. DOUGLAS: *Does this mean the cost inside central Los Angeles would be about the same as the cost of land in the suburbs, because Mr. Palmieri has quoted similar prices for outside the city?*

MR. PALMIERI: Well, I must say that I am a little confused by that. I would say that to acquire a lot in the first place is a problem. There aren't any lots to speak of in the central city. So you have a problem of some improvements on the effective land cost for lots in the city. In the city, as I recall, the rates are well over \$2 a foot.

MR. DOUGLAS: *\$90,000 an acre?*

MR. CASE: Yes, well over that.

MR. DYCKMAN: At least.

MR. PALMIERI: So, I'm not just sure. I would think, Fred, that if you wanted to build a new house on a lot in the central city you would be talking \$40,000 or \$50,000, wouldn't you?

MR. CASE: You might, unless you wanted to go down into some of the areas that are changing; the areas such as—I don't know whether you are acquainted with them, but say—the Venice area, Culver City area, Baldwin Hills.

MR. PALMIERI: The Venice area is a good example. The Venice area lots are all built up, right?

MR. CASE: All but such a small portion.

MR. PALMIERI: And the small portion of not-built-up lots in Venice is an old canal area where the canals don't work any more and everybody is agitated about getting new canals. I just happen to have a friend who is interested in buying them, and he asked me, and I just had to tell him I didn't think it was a good speculative value at \$5 a square foot for a home lot.

MR. DOUGLAS: *\$220,000 an acre?*

MR. PALMIERI: That's correct. It's just a small home lot on a canal in Venice.

MR. BAKER: Excuse me, I think we should permit Dr. Case to continue.

MR. DOUGLAS: *I'm the one who started that and I apologize.*

No Leadership in Land Use Decisions

MR. CASE: I think that you really can see the point that I am making here: that there is no leadership in the city decisions affecting land use. At present land uses are decided by a variety of people in a variety of organizations for a variety of purposes. Engineers may not place a highway or a freeway in an area where a planner would want it to be placed. This freeway may lead to flight from the central city while

encouraging the development of "sluburbs." The freeways are making possible the destruction of central Los Angeles. The tax assessment policies are doing the same thing. If your Commission is asking what should be done, it should recognize that at some point somebody has to say, "This is what a city is for. This is where people should live in the city. This is what must be done to help people get the cities in which they wish to live." Lacking a good series of statements or goals of what a city should be, the engineer is free to put a freeway wherever the engineering problems are most easily solved. The tax assessor is free to assess within whatever broad limitations the State Legislature may impose. The zoning commissions are free to make zoning variances as they happen to see fit. The building and safety officials can, with the assistance of trade associations and labor unions and product manufacturers and so on, create whatever they wish in the way of building requirements.

You may say, "Isn't that an exaggerated statement?" Let me say that when I was on the Building and Safety Commission and we were trying to revise the electrical code for the City of Los Angeles, the people who had the best statement about—and the greatest influence on—the needed electrical code changes were major utility companies, electrical equipment manufacturers, and unions whose members installed the items. Excessive requirements sometimes result. For example, the building code requirement for electrical requirements for the single-family house is for a much greater electrical capacity than many, many families require. Or consider that the code requires an electrical outlet on each wall and each electrical outlet runs something like \$15, \$25, depending on who is installing it. Yet, how many families really need four electrical outlets in every room? Is the minority family, for example, going to buy all the electrical appliances that would require the heavy amount of electrical work that is now required in single-family homes?

There are other kinds of requirements that raise housing prices unnecessarily. Although we can agree on the major faults in building codes, it is the details that are the heart of the problem. It is these details that interfere with the free workings of the market place and raise the price of construction unnecessarily. Add to this the zoning law which requires that no lot have less than 5,000 square feet in it—and in Los Angeles the costs of lots run \$5 a square foot—and a \$25,000 lot and a need for a \$75,000 improved property are automatically created. This requirement automatically has established the quality of people who will live in such areas.

I hope that the Commission will remember that a city is, basically, people. If zoning were planned for people's use, if the building codes were designed to accommodate living according to what people could afford, if highway commissions would give a second thought as to where highways are going, and how they are likely to ruin a neighborhood, we might not now have a cost of 3 trillion dollars that has been suggested as the price for removing past mistakes in urban planning and for removing the resultant flight.

I think maybe we need not worry about the mistakes of the past.

It's time that we started worrying about the future and let the mistakes stay where they are.¹

MR. BAKER: Thank you, Dr. Case.

It is customary for the Commission members to ask questions of the panel. After this, we will excuse the panelists and we will hear from anyone from the floor who wishes to speak in connection with our subject of open space and land.

QUESTIONS BY COMMISSION MEMBERS

MR. DOUGLAS: *I may say I am astounded by these land values. I have never heard anything quite like them.*

But the question I would like to ask is whether there exists in Los Angeles what is known in colloquial language as red line areas? When we were in Boston we stumbled onto the existence of what seemed to be red line areas; namely, areas within which banks and savings and loan organizations will not lend for the purpose of improvement of property, within which the FHA will not insure, and within which the fire insurance companies will not insure. Now, what I want to know is whether there are red line areas in Los Angeles?

MR. CASE: In connection with the McCone Commission study, I was asked that question, and I looked at the public records to find what lenders had been lending in the south central Los Angeles area prior to the riots. From that I selected five savings and loan associations and five commercial banks, and I went to them and asked them what they were doing after the riots.

I have to recall some of these statistics so I may not be completely accurate, but, as I recall, there were one or two of them who said they would make loans but had not made loans. The others said they would not make loans in that area.

MR. DOUGLAS: *And have not made loans?*

MR. CASE: Since the riots occurred they had not made loans.

MR. DOUGLAS: *Before the riots they did?*

MR. CASE: Before the riots they had made loans.

I went to mortgage companies and found mortgage companies using second and third trust deeds and private money and making some loans in the area. I asked an FHA official whether the FHA was doing anything in the area and he said that he was not able to provide me this information. But he thought that the FHA was making about 25 loans a week in a market area of about 18,000 homes, so that would amount to a thousand loans a year.

MR. DOUGLAS: *What about the fire insurance?*

MR. CASE: I have talked to our professors of insurance on this and I have done some investigation myself, and I find that it's very difficult to sort out what the truth is. But I think either they are not placing insurance—or they are placing insurance on a very limited basis so that the property owner would have to get two or three insurers to equal

¹ Further prepared remarks by Professor Case, p. 193.

what he felt should be the insured amount. There were certain other restrictions that made it almost impossible to get the insurance.

MR. DOUGLAS: *You drew a very valuable distinction between the period before Watts and after Watts—B.W. and A.W. I understand the cause of it, the reticence to insure after Watts, because of Watts, but what about the period prior, before the riots?*

MR. CASE: Prior to or B.W., prior to Watts—

MR. DOUGLAS: *I am just helping this Christian chronology, that's all.*

MR. CASE: The answer is that they were very selective. Each lender had his own policies and he was very selective in the types of properties on which he would lend. First, the chief breadwinners of the family had to have good records of employment, preferably civil service. A loan would not be approved if the property was beyond a certain age, and most of the properties in south central Los Angeles are too old to be considered good loan risks.

MR. DOUGLAS: *What about insurance?*

MR. CASE: For loans or insurance, the properties are usually too old. The net result was that if a family could get a loan it had to pay far above the market rate in terms of interest and loan cost, so that sometimes the initial loan and interest charges in the first year might equal 15 or 20 percent of the total amount of the loan, and they were often short-term.

MR. DOUGLAS: *Interest on loans? You pay 15 to 20 percent?*

MR. CASE: Interest, loan cost, other charges, put together, not representing payment on capital, would equal around 15 to 20 percent, at least, of the loan amount.

MR. DOUGLAS: *But the Watts riots made things much worse. The next question is, what did they pay prior to Watts? Did the lending policies of the banks, the insurance policies of FHA, the insurance policies of the fire insurance companies—did these help run Watts downhill prior to the riots?*

MR. CASE: I think that it was a neglected area insofar as the FHA is concerned.

MR. DOUGLAS: *Now, we have here a representative of the Department of Housing and Urban Development who takes careful notes on everything that is said which is adverse to any branch of HUD, and I want to make sure that he hears about this statement coming, not from a member of the Commission, but from an expert witness.*

MR. CASE: Well, let me add that it all revolves around the policies of the minimum property requirements, the lending policies and so on, of FHA. I say it also revolves around the lenders, who have approached south central Los Angeles with a great deal of caution; so that, for example, over half of the loans in south central Los Angeles would be supplied by private, noninstitutional lending sources. Less than half of the loans are provided by institutional sources. Roughly 85 percent of the loans provided by institutional sources come from mortgage lenders such as commercial banks, life insurance companies, and savings and loan associations. The remaining 15 per cent would have been supplied by commercial banks and so on.

MR. PALMIERI: Well, let's dissociate the FHA from any responsibility for conditions in Watts. The 1960 Census figures revealed this about the FHA in the 14 southern counties of California: of loans to families earning \$5,000 or less, .7 percent of those loans were by FHA. So they were just not involved.

MR. CASE: We can take a look at the study later. But I say that the FHA has contributed to Watts by making it impossible for those families to get out in the suburbs, and it has contributed to Watts by creating lending requirements that would be impossible to meet in the south central Los Angeles neighborhood.

MR. PALMIERI: But the FHA program was never aimed at that. There was no national policy, no direction, which legitimized FHA activities in this area. Indeed, it was to the contrary. The restraints on FHA coming out of Washington had been distinctly counterproductive to any involvement in lower-income housing, and I think the FHA has been responsible in following its charter. That's another way of putting the perspective on the national policy issues that are involved.

MR. DOUGLAS: *Well, you are agreeing that FHA certainly hasn't helped housing for low-income people?*

MR. CASE: That's right.

MR. PALMIERI: But the point is, it has no business doing so.

MR. CASE: But my point is: if the national housing policy announced in 1949 set a goal of safe, sanitary, decent housing for every American family, why hasn't the FHA helped carry out that policy more effectively for minority and low-income families?

MR. PALMIERI: You are reading too many preambles about——

MR. DOUGLAS: *One of my associates, with more brains than I have, scribbled the following sentence for me to read: "The FHA can't underwrite if the savings and loan associations won't lend. And these won't lend because the fire insurance companies won't insure."*

MR. CASE: That's right. The savings and loans cannot lend because the FHA requirements won't approve the loan.

MR. DOUGLAS: *Well, say that again.*

MR. CASE: The savings and loan associations won't lend because they can't get approval for the loans that they might make.

MR. DOUGLAS: *I don't know where this anonymous note came from but would the man please reply to the allegations made, namely, that the loan associations might lend if the FHA would insure?*

Frank,¹ are you the author of this? Yes? Well, you wrote a very good comment. You said FHA cannot underwrite if savings and loan associations won't lend; and Dr. Case makes an excellent point.

MR. DEStEFANO: You are asking me to reply to that?

MR. DOUGLAS: *I am, if you can. I want you to testify to the truth.*

MR. DEStEFANO: It's a chicken and egg situation which I don't think you can pin down. But in the case of Watts, as Mr. Palmieri pointed out, the FHA 203 program for new construction is not relevant.

Now, if we were confining the discussion to FHA home improvement

¹ Frank DeStefano, Assistant Director, National Commission on Urban Problems.

activity or other FHA mortgage underwriting activities dealing with the repair of existing housing, then we would be talking about something relevant. But other than that, it's not an issue in Watts.

MR. DOUGLAS: *It's very much of an issue—very much of an issue somewhere.*

MR. CASE: Mr. Chairman, I would point out again that if you look at the study I published you would ask why most of the FHA-approved loans for new housing are in the San Fernando Valley and other all-white middle-income suburbs; but that we find very few, if any, minority families living in the San Fernando Valley. If the FHA has not contributed to the scatteration and the sluburbs, I don't know who has. Those people would not be in Watts if they could get FHA loans.

MR. DOUGLAS: *Well, I apologize. Of course it is the fault of Congress. Congress is the ultimate repository of all blame, but the conclusion I draw is that somewhere, somehow, there ought to be an institution that will not abandon these areas. If the FHA won't enable building we should create another agency.*

MR. FEINBERG: *Mr. Chairman, first of all, let me congratulate all three panelists on their superbly excellent presentations. I might say, Mr. Palmieri, that yours was very informative. Not provocative in the sense that I could ask you many questions, but there is one thing that I want to pursue. That is the statement you made about a proposed project you were entertaining, I think, in the suburban areas.¹ You were referring to the FHA, were you not? You said FHA didn't seem to have the foresight necessary that would be required to step in and to insure these loans. Am I in error?*

MR. PALMIERI: I think so. What I said was that the FHA was applying its traditional underwriting approach, which is a very conservative underwriting approach—much more so than most commercial lenders. The FHA has maintained its place in the spectrum of institutional lending resources squarely, I would say, on the side of safety. They have taken this as their mandate. Their low foreclosure rates are really the critical index of this effectiveness. And so, if you follow that premise, then the fact that they will not underwrite a lower-income housing project in an exurban area is totally defensible. It's a sound-investment, conservative approach, by the standards of an investor.

Now, the question is, does the FHA serve national policy by taking the position of an investor? It does in some respects and perhaps in others it does not. And I am sympathetic with the FHA because it has no mandate from Congress for this agency to function as the Nation's pivotal entity for bringing financial resources into low-income housing, I don't read that into the Act.

MR. FEINBERG: *May I say that I respectfully take exception to what you say by virtue of what has transpired. At the inception of the FHA, it is true, as you say, it had no mandate to do these things—to undertake the obligations or the responsibility or the worry about low-cost housing as such. The purpose was to help stimulate the construction of*

¹ See page 160.

homes, which were badly needed when FHA was first born—to encourage lending institutions to lend money without fear of any great loss. But, honestly, when we look back and then up to the present time, is it not true that they have made attempts through programs that they have initiated and promulgated to actually undertake low-cost housing, to provide assistance? What about the 221(d)(3) and (d)(4)? Or the 312 program, home improvement loans, and these other programs I cannot recall at this time?

But what I am saying, Mr. Palmieri, is that I believe the FHA has made an attempt, has made the effort. In my mind they need some defense. Yet I am going to be the devil's advocate. I am going to say that I think the FHA has fallen short of its true responsibility. That's why I take exception to what you say; otherwise, why should they promulgate, why should they initiate, why should they issue directives to encourage these other programs if they are not going to take that responsibility? You can't do it halfway. You have either got to do it or not do it.

You are not being critical of the FHA or defending it. I am the one who is being critical of the FHA. The very instance that you gave us is an example that I say shows they lack foresight. I am saying that they have absolutely rejected their responsibility.

MR. PALMIERI: I think you are wrong. I do appreciate the way in which you phrase the issue. If you take 221(d)(3)—if you take the special assistance programs in total—the FHA, institutionally, cannot be the mechanism of creation in those types of programs.

For instance, 221(d)(3), for those who don't know, is a 40-year, 3 percent direct loan from the Government through, in the main, a non-profit institutional sponsorship. The Government says, "If this labor union or church proposes to sponsor a project we will make this very unusual low-cost financing available."

Now, FHA has tried throughout Los Angeles. They have spent an awful lot of time and energy trying to make that program jell. Certainly their efficiency probably hasn't been any greater than the efficiency or effectiveness of the private sector. But it is such a complicated program, and so difficult to mount from both the private side and the agency's side. So to say they have a mandate to penetrate the lower-income housing market because they have these very specialized programs, and they have therefore failed to carry it out because we don't have a lot of that kind of housing, seems to me ignores the fact that Congress really didn't mean what it said. What it said was, "We are going to make lower-cost housing available through these types of arrangements, but we are going to hedge it enough so that we are going to be damn sure the market mechanism cannot produce it." This is what in effect it has done. It's almost impossible for any market operator to assist.

A church or some of the big labor unions have done this more effectively. But we have had a lot of conversation with some of the Negro churches that want to go into this kind of program, and the amount of time and resources that would be required to mount the program and the types of cost that are involved despite the agency's willingness to

discuss it, have made it almost impossible. So I can't really take the existence of these special assistance programs as an index of FHA ineffectiveness.

The problem really is that we haven't unlocked financial resources in an effective way in lower-income housing. Now, John Dyckman knows better than I about this point. I really don't know where the blame lies. I think that what I am trying to say, finally—let me put it this way. Well, first of all, I am probably naive. I am naive enough to believe that if Congress passed legislation to provide loans on property in Watts, and set this up under the FHA, that this should not be a pretense; it should be a reality. They may stumble, they may not succeed; but at least they can eliminate as much red tape as possible. However, for you and I to debate this question as to where to put the guilt or the innocence or where we could place the charge of guilt—we could go on forever.

MR. FEINBERG: *Thank you, Mr. Palmieri. Do you want to say something, Mr. Case?*

MR. CASE: I would agree with what both of you have said. But I think that we are all saying something we should be explicit about. That is, Congress has stated the national housing policy, but the FHA for a variety of reasons acts as if it had not heard. The Corps of Engineers, putting in drainage channels in Los Angeles, acts as though it had not heard of it at all. The Federal highway developers, in splitting the community up, act as though they don't understand it. The National Park people act as though it had never been announced, and then, as we move down, we find that the states act as though there were no national housing policy and the city acts as though no one ever lived in houses.

MR. FEINBERG: *Professor, I could not agree with you more. I had some experience many years ago in the Department of Justice, and I can tell you I often question whether or not we are all working in the same play.*

Professor Dyckman, I want to ask you something to refresh my memory. During the course of your very articulate and very explicit presentation, you said that you rejected, as I recall, zoning. I am sure it is very predominant in your mind. Would you tell me what you meant when you expressed yourself in that opinion?

MR. DYCKMAN: Yes, I would be glad to.

I think that our housing movement, the conservationists, the urbanists, generally have put a rather unfortunate and perhaps exaggerated reliance on zoning as a device to achieve better land use patterns, to achieve better communities and neighborhoods, and to safeguard our unique resources. I have a feeling that the record of zoning is very bad. Despite the best intentions in regard to zoning, and the fact that some of the most public-spirited people have worked on it, and despite the fact that it's in the hands of lawyers, this has been rather ineffective.

And the reasons for this, it seems to me, are very easy to demonstrate. We look at the central cities, the established cities, and the zoning pattern is superimposed. Zoning ordinances are superimposed on the existing

development patterns wherever the existing development is well under way. The zoning in the big cities has largely been in the latter years, when buildable sites were scarce, leading to a public monopoly of potential development values which was up for sale politically.

If I may be very blunt about it, what I am saying is that here you have a situation where development rights were controlled by zoning ordinance, and the record shows that exceptions almost equal the number of provisions in the ordinances in every big city. This means that zoning has been a way of transferring to the city council, whose powers to extract tribute have been reduced by other government programs, the right to extract a little booty in return for favors. And that, I think, is the characteristic of big city zoning in my experience.

The police power under which the zoning ordinances has developed has been so arbitrary an exercise that justification of the zoning ordinance has become very difficult. It has become the province of lawyers, and has kept a lively trade going in interpretations.

Now, so far as zoning in the fringe areas is concerned, I have this view. The proposed rezoning, such as the Proposition 4 we have had in California, was even more vulnerable, because it was coupled with preferential assessing. That is to say, agricultural zoning—Class A zoning so to speak—was to be coupled with a preferred assessment position for a period of up to seven years. For the owner who was going to hold this class of property anyway, this just seems to me to be an invitation for underassessment at a rate which, in a situation of rapidly increasing land values, would make it almost certain that the appreciation of the land would allow any penalties to be compensated easily and still allow a very substantial gain. In the meantime the communities were denying themselves tax means. That is a very poor use of zoning.

Now, the history of zoning was pretty bad in the beginning. I do not want to make a lot of this, but in the beginning agricultural zoning was used in Wisconsin and in Michigan basically to protect cutover areas from being used during the depression, and particularly from more intensive agricultural use. It was a way to sterilize these areas, in part to keep people from flooding back into them. It is negative, and the pressures of the market in a situation where it is relevant are so strong that one might do better to adjust to the market pressure; that is to say, why use a negative device which invites circumvention when the real issue is to actively participate in the market?

MR. FEINBERG: *Thank you very much. There are many questions that I would like to ask. But that would be very selfish—I don't want to take my colleagues' time.*

MR. VANDERGRIFF: *I have a question I would like to ask. I must say that it may not pertain to land usage or planning of space. Yet it has often worried me as I listen to these discussions throughout the course of our hearings.*

I heard Mr. Palmieri say that he felt that we should disperse insofar as these ghetto areas are concerned, and I believe in the present case that you possibly feel likewise, Mr. Case, because you said something to the effect that the FHA wouldn't let the Watts people go into the

suburbs. I am not really arguing with the proposition because nearly every scholar or planner or person who is expert in land development, such as you are, Mr. Palmieri, seems to make such statements. And yet the thing that worries me is that when we talked with the people who live in these areas, almost consistently—it doesn't matter whether they are Negro Americans or Mexican-Americans or white Americans—they say they want to stay where they are. They would like to have everything improved therein; but they want to stay where they are. Has this seeming difference between the people who supposedly have the expertise, and the people who do the living there, ever puzzled any of you? And if so, do you have any thoughts on this subject in which you can help me?

MR. CASE: Yes. Let me perhaps add to your information. We interviewed about 800 Negro families and approximately 800 Mexican-American families—families of Spanish surnames I should say. We found that the families living in central Los Angeles who, by the income they stated, could have afforded to move out of central Los Angeles—of that group there were only around 30 or 40 percent who said that they would move out if they had the chance, but they did not have the chance. We estimated that at least a third of the people would like to move out, who could move out, but who *can't* move out of blighted areas because there are social limitations.

MR. VANDERGRIFF: *I see.*

MR. PALMIERI: Well, I would venture that a third of the people in hell would not move out. I mean that is a statistical distribution I find unsatisfying. The actual phrase I used was: "avenues of escape and dispersal." I don't believe that dispersal is really a practical strategy. It isn't going to happen for so many complex reasons.

But this is the point I was trying to raise about avenues of escape and dispersal: the potential of moving up and out in the great American tradition has to be part of the social base for all groups of Americans. That's all. I don't believe the answer is dispersing. But I think Professor Case's point that 30 to 40 percent would move out is very impressive in its own terms because, given the attitudes that prevail, given the lack of what I'd call possibilities for congenial social relationships in outlying regions, it's amazing to me that 30 or 40 percent would express the opinion that they would move out. I would expect that even 90 percent would say, "Hell no, I will stay here." There is a rejection problem involved in answering that question.

MR. VANDERGRIFF: *Thank you very much. I appreciate the points you raised.*

Professor Case, in terms of bemoaning the lack of planning and looking ahead in the San Fernando Valley, you—and perhaps others too—referred to the fact that this was due in large measure to lack of leadership in the city. You aren't referring necessarily to the persons, but rather to the system in which officials must operate here, is that correct?

MR. CASE: Yes, it is primarily the system. You probably have heard that the Los Angeles charter is such that it encourages fragmentation of leadership legally.

For example, a city can become incorporated as a single political unit and dissociate from other cities relatively easily under our state government. The process is getting a little bit more difficult, but fragmentation is still relatively easy for a group that does not want to be associated with the majority.

Land Costs and Housing Costs

MRS. SMITH: *I'm afraid I cannot seem to get a clear idea of your land costs within the city. You have figures on subdivision and development within the city, but I keep trying to answer for myself a question, which is: What does it cost to live in the city? Would it be 25 percent or 35 percent of income? One figure seems too high and the other too low. But that is just shelter. I am trying to find out what the other cost elements are. As cities get larger, certainly land is a great cost, and transportation. I gather you have a very poor system here and you must get good transportation. All these things cost money. What would comprise the greatest cost of building in the central city, if that's clear? Is land cost the major cost? I heard figures yesterday of lot costs of \$25,000, \$35,000, and \$45,000. If that's the major cost, then isn't that the first obstruction to the policy of building a central city? But adding these other costs, the transportation—*

MR. CASE: Well, cost is a little deceptive because, for example, in south central Los Angeles there are houses with a market value of \$13,000. By various devices, you would find that probably the land is worth about \$10,000. But that particular lot is probably too small to be used for anything allowed under current zoning laws: so it has to be assembled, and the real cost within the central portion is assembling the right-sized parcels to make developments more economic—but Mr. Palmieri would be better on that.

MRS. SMITH: *But once assembled, what would that cost be?*

MR. CASE: It's hard to say.

MRS. SMITH: *You all talk of individual houses and I guess I am trying to find out something else.*

MR. PALMIERI: Well, dealing for the most part with central, built-up areas, the only amendment I make is this: If you have a \$13,000 appraised house on a lot, the lot is probably worth \$15,000 in most central city areas, or maybe \$20,000. In a sense it's the value plus the cost of removing the structure, and in a great many cases you have a sunk cost in any subdivided area. When you get into re-assembly you have to make it up somehow. That's why I agree with the professor that the land assembly costs are by far the overwhelming portion of the package.

Secondly, about transportation in Los Angeles. Los Angeles probably has the most efficient and the only self-supporting rapid transit system of any metropolitan area in the world. Now it may be a fact that disadvantaged families do not have automobiles and can't get to places on the freeway system. But the city has a transportation system, whether anyone likes it or not.

MR. DYCKMAN: If I might, Mr. Chairman. About the connection

between transportation and land, I think that I have a little different view than the impressions that have been created in the discussion today. I for one don't believe the land prices in Los Angeles to be very high in world terms. I think for big cities in countries of the world they are really quite low, and there seems to be a reason for this: a transportation system which opens up vast amounts of new land constantly.

In contrast with the situation in Los Angeles, if you look at London, where the greenbelt has been put around the city, you will find that land—which is now going at \$100,000 an acre in America at intersections—in the London greenbelt is worth \$700,000 an acre.

Now, it seems to me, prices of this kind cannot be recouped by development. It seems very strange, and the reason for it I think is that the demand for urban land in a number of foreign countries is very high compared to the available land. In England it's not possible, at least in the London area, to open up so much land so near in and so near in time as it is in the Los Angeles area. Consider the fact that there are some 15,000 square miles just under planning, and that this has been going on outside of the city, and that this land is then developed at a fairly high level of 5,000 persons per square mile. That amount of land—don't multiply it—but that fact alone suggests to me that the freeways in Los Angeles, for all that they have done to the central city in taking land off the tax rolls and so on, have actually exerted a moderating or depressing price on land values.

MRS. SMITH: *I am sure I have no more time, but I would like to ask Professor Case if he has a list of other good examples on costs in relationship to building codes, because we've had a hard time pulling out any information on this subject.*

Yesterday all the code people made it all sound slightly frightening even to question them and I am not up to any questioning. But a list of such examples as yours about electrical codes I think would be helpful to us.

MR. CASE: I could try. I would suggest that if somebody from the Commission wants to go to the Building and Safety Commission and ask for the public records of the particular hearings where these things were brought out, they have them. But in my four years on the Commission I found that it was the most difficult job in the world to get an accurate answer on whether codes were costlier—

MRS. SMITH: *They make you feel as if you were absolutely no good and they talk about safety and so on to see if you—*

MR. CASE: Another thing is, after our public hearings, some of the builders would come to me on the quiet and say, "I wouldn't put it on the record, but I will not build in Los Angeles because the codes are too strict, because for the same house it would probably cost me three to five hundred dollars more to build in Los Angeles and I don't want to be harassed."

MRS. SMITH: *I think it would be most helpful for us if you could get that because it's like pulling teeth to get this information.*

MR. BAKER: Good.

MR. CASE: It sure is.

MR. JOHNSON: *I would like to ask Mr. Palmieri what his experience has been with integration of Negro families in the Thousand Oaks development.*

MR. PALMIERI: There has been remarkably little experience in terms of consummated sales. We have, on numerous occasions, made sales to Negro families. But usually what happens is, when we sell our models in a unit which is being built there is a considerable time lag between the sale and delivery, and people can cancel at any time during that time lag. What the Negro families find out is that the journey to work is so expensive, or the neighborhood suggests to them that it wouldn't be friendly because of some experience that they have, so they drop out. Only a few minority families have moved out to Thousand Oaks. I think the major reason is the employment situation. Almost all the employment out there is geared to technical fields. Negro families and, for that matter, other ethnic minorities who have moved out, are therefore, for the most part, professionals—doctors, dentists, lawyers—people of that kind. You've got an employment gap problem in these outlying regions that is quite difficult.

MR. JOHNSON: *In other words, you are saying that you have no policy on the part of management to discourage Negro families from buying in the development?*

MR. PALMIERI: Absolutely none. Now, on the other hand, the whole thing is kind of geared against them in a sense because the employment pitch we are making is to engineering, technically oriented, employers. There is this very costly journey to work, so that even without any corporate policy it would be very simple to exclude minorities from the exurban region. We don't have a policy, but I don't think that means anything particularly.

MR. JOHNSON: *One other question. You said that the \$20,000 house in the Thousand Oaks development was or is pretty close to being a loss leader.*

Now, is the market pressure such here in this area that you could actually develop the whole place with \$20,000 houses? If that is true, how do you conceive a formula for building homes of varying costs? Is it done strictly on demand for models, or how does it work? I've wanted to know what the thinking is there.

MR. PALMIERI: Well, you have asked two questions.

One is quite an interesting and important question. You asked, could we build out in this entire area and get maximum absorption at the lowest end of the market range? The answer to that is no. Oddly enough, although numerically the greatest number of families are in the low-income range, the effective demand for this suburban-exurban development is from only a fraction of those families. Why? (1) With minority families, for the reasons we just touched on; (2) because of the general problem of mobility. You have a narrowing mobility as you descend the income scale, and a kind of sociological syndrome that doesn't affect the middle- or upper-income families.

This journey-to-work problem is very strategic. It is very clear, how-

ever, that this market is underserved at present—whatever I just said—it's underserved.

Incidentally, we are experimenting. We are coming out this next month with a program of \$16,000 to \$19,000 homes, and in one of our best areas, with all underground utilities. It has a big park system and has all the romance that is traditionally offered in higher-priced housing. It is VA and FHA, incidentally, but it's quite a small house. It goes from 900 to 1,200 square feet and it's going to be interesting to see what we can do.

The middle of the market—the big market—is around \$25,000.

MR. JOHNSON: *Well, then, would you mind answering the last part of my question about how do you decide how many \$30,000 houses and how many \$25,000 houses, and so forth, you are going to build?*

MR. PALMIERI: In any particular development you start with some form of market analysis. Now this may range from your seat-of-the-pants judgment to a very refined numerical survey. But what you attempt to do is to determine the effective market in relation to resources. You have, mainly, the land, and the decision is usually tied to a price of land. You really, perhaps, should actually start with that. That's the way it normally starts with our land economy, because land purchases are so much a matter of opportunity. There is not a highly structured land market where a construction company says, "Here is the research. It indicates these markets. I'll find land to match that market." Land is a much more unstructured marketing-buying operation.

He finds land and has a cost—based on the number of lots he can get out of it and with improvement costs—of say, \$8,000 a finished lot. Now, at \$8,000 for the finished lot he knows that he's got to be selling approximately a \$25,000, \$26,000 or \$27,000 house to get a 10 percent margin on the sales. So, his real question is: "Can I sell enough houses in that margin, in that bracket, to make an adequate return in terms of the risk in this investment?"

That's usually the way it is done, and he will work on that \$25,000 figure which gives him a 10 percent return. In order to average 10 percent, he will work down to \$22,000, where he has a five to six percent return, and he will work up to \$28,000 and \$29,000, where he has 13 and 14 percent returns; and he will plot those houses in that relationship.

MR. JOHNSON: *Thank you.*

MR. DEGROVE: *Professor Case, everyone seems to agree that the major obstacle to low-income housing—at least in Los Angeles, the central city—is land cost. Is that misinterpreting what you said?*

MR. CASE: Not precisely; it is generally true, with a lot of reservations.

MR. DEGROVE: *That's close enough then to answer my question.*

In that case, it seems that the Federal Urban Renewal Program would be an ideal vehicle for assembling land, which is the key problem, and being able to offer it to the private developer at a price at which he could then build housing at a more favorable price. Am I to under-

stand that the use of urban renewal in Los Angeles has been virtually nonexistent? And why?

MR. CASE: Well, it's been nonexistent because of public attitudes towards it. Any mention of anything close to urban renewal brings out a tremendous number of elements who are very opposed to urban renewal, and this includes many of the power elements in the community.

MR. DEGROVE: *I assume that was an answer, but since I am not familiar with the power structure in the Los Angeles area, I'd like to come back with the same question to you, Mr. Palmieri, because—*

MR. PALMIERI: That answer is acceptable if you also apply power structure to read "Negro homeowners" in a great many proposed urban renewal projects.

Let's be clear on that. The problem of displacement with relationship to proposed urban renewal is a problem that Dr. Case pointed out. The power structure works both at the top and at the bottom. People don't want to be displaced.

MR. DEGROVE: *Yes, to that extent it seems to be another chicken-and-egg proposition. But maybe it's not necessary to displace people. Maybe yes, in terms of an individual house; or not even necessarily that, depending on whether the houses lend themselves to rehabilitation or not. But we have seen examples of rehabilitation developing where people are against moving out.*

Now, you said earlier, Mr. Palmieri, that you did not think we could provide low-cost housing under any combination of existing programs, excepting perhaps, for the moment, public housing programs. I guess we discussed that. You said furthermore that 221(d)(3), as it exists, wouldn't do it. You said, furthermore, that you didn't think FHA was really the agency to take on a flexible program that would do it, and that is what is needed; that is, a new program.

Have you thought in any more detail than you indicated before about what have to be the ingredients of this new, imaginative program, to provide low-income housing for our citizens?

MR. PALMIERI: Well, the primary ingredient would have to be the national will for the support of some \$20 or \$30 billion investment a year.

MR. FEINBERG: *And then administrative details could be worked out very easily?*

MR. PALMIERI: That's right.

MR. DEGROVE: *After thinking about it a minute, 221(d)(3) does offer 40-year loans at 3 percent. Presumably that isn't enough?*

MR. PALMIERI: Well, 40 years at 3 percent—boy—that gets you almost, in the income structure, down to the lowest 20 percent or so. That really does it from the financing standpoint. But the problem is that you've got to take a lot more risk than you are willing to take under 221(d)(3) in order to get the production and get the movement. You are going to have some windfall problems, but unless you put the private market to work—both at the institutional lending level and the production level—my guess is that you cannot get this job done. And

221(d)(3) does not put the private market mechanism to work.

MR. CASE: Along that line, though, I think we've gone in that particular direction, assuming we are talking about homeownership or for the shelter of low-income families. I seriously doubt that this is a good answer for the shelter problems of low-income families.

MR. DEGROVE: *That is, owning?*

MR. CASE: Yes, owning. It gives a certain restriction on their mobility that they really need.

The second thing is, I seriously doubt whether we can afford the single-family home on individual lots within our major central cities. We have to face up to that.

MR. DEGROVE: *You are right, but 221(d)(3)—*

MR. CASE: Yes, I know what it is. But I just wanted to make sure that—

MR. PALMIERI: I agree with you.

MR. DEGROVE: *I do too, and it's a relevant point. It would seem to me that the Federal Government possibly should offer more generous subsidies than we are now talking about.*

MR. CASE: I can give you one statistic on this. For example, the big unmet market in south central Los Angeles is for four- and five-bedroom apartments, but the families cannot afford to pay the \$70 a month on that.

Now, try to cost that out and you really find that even under 221(d)(3) you couldn't do that; so there have to be additional elements of subsidy if we decide that the low-income family should be adequately housed.

MR. DYCKMAN: I was going to make the observation that the present programs of redevelopment are very badly fitted for an area like Watts.

Here is an area where first of all the density on the land is rather low as central cities go, as high-income central cities go. The density in the floor space is rather high; that is, occupancy is high in terms of square footage of housing. Per person occupancy is low however in terms of area of land per person. In substance, this means that if you were to carry out your objective, it's perfectly possible in Watts that you could redevelop on the site. You could have a remodeling, renovation or preservation-improvement program operating right on the site, without relocating people from that property and without creating a hazard in overpopulating a slum area.

In no sense is the density at all comparable to Harlem or even Park Avenue now. But, we must understand that in these areas like Watts we would have to create additional bedrooms and additional toilets, additional spaces of all kinds in the building. So this investment in these non-existence places would be quite high. I agree that 221(d)(3) programs at the present building cost do not provide an adequate subsidy, even with the loan subsidy, to produce the manufactured buildings. There have to be calculations of population in that locale. I think that is clearcut.

The only program that we have which would do such would be public housing. We have never had a program of public housing—for the areas

such as Watts—for the development of it on the site. The public housing, even if there were a political climate favorable to it in Los Angeles, would have to be a new kind of public housing program in terms of the costs of the present units to be developed. It would have to be a kind of public housing program that would combine the 221(d)(3) kind of nonprofit auspices.

MR. PALMIERI: In reference to what has just been said, it's very important to say that both Professor Dyckman and Professor Case are right in the sense that the 40-year 3 percent loan does not solve everybody's problem. The older I get, the more I am certain there really isn't anything that solves everybody's problems. The market is so ineffective in terms of its demand structure in these areas that to solve everybody's problems requires really a total massive subsidy program. I think we all understand that. But, 40-year 3 percent gets you penetration into that market.

Now, what happens if you've got a market of "X", which you cannot reach any of without terms like 40-year 3 percent? Now, with 221(d)(3) you can reach perhaps 25 percent of "X". I suggest that has an important impact on the bottom 75 percent in all kinds of transitional ways that occur within a community when housing is opened up at the top.

It has been said the only problem is the institutional hedges around the below-market interest rate program. If we remove those we might be able to hit enough of the people who could be in the effective market to make a big difference below that stage.

MR. DEGROVE: *Thank you.*

Zoning, or Something Else?

MR. WOODBURY: *Jack, you take a pretty dim view of zoning. From what I can learn of it I don't think I subscribe to a very considerable part of it. My question is: what other devices do we have—or do you think could be developed—that would not have the demonstrated weaknesses of zoning, but that would be aimed at the same objectives zoning originally was designed to serve?*

MR. DYCKMAN: Yes, Coleman, I don't want to dismiss this entirely. But I think that the problem of zoning is also the problem, to a considerable extent, with scenic easements, with the proposed purchase of these easements of various kinds which have come in vogue in California, particularly in vying for the country club people who have found a great way to participate in putting these developments through. It will keep the club going a little longer while enjoying some financial benefit. I am observing that the program of scenic easements has been applied largely on golf courses of California and it's a little bit—

MR. DEGROVE: *What was that again?*

MR. DYCKMAN: It's not an integral part of my argument.

I want to get to the heart of the problem, which is getting worse all the time. I say that the difficulty is in the fee itself. It's a case where if you have a completely unencumbered fee on the land and then you buy encumbrances, usually very favorable to the land owner, you can't

really prevent him in the last analysis from disposing of that fee in some way. Zoning has also run up against this difficulty.

Now, the courts have enforced zoning as police power somewhat arbitrarily, and this has led to a lot of abuses.

Now, on the positive side I do think the more you get involved in the development program the better. I would start first with coordination of development activities which the government takes on itself. For example, I think it ought to be more strictly required that superior governments have some kind of a compact or agreement with inferior governments with respect to development activities.

Secondly, after this coordinative role I think that we have not begun to stress the development powers which would propose that the governments themselves act in the open market. I know this would lead to political unpopularity in many cases. But clearly, we now have enormous land users in the development agencies of government, and if these land users are going to be interfering in the markets, shaping the market, directing its development, let the governmental bodies participate in markets. This is my view. Let them buy the land outright, and let them buy without some of the restrictions we now have. For example, I think restrictions on the adjacent right-of-way which can be acquired by a highway department have probably been a reasonable safeguard in the past. I think it no longer makes any sense where at the intersection of two highways you have an enormous commercial property—commercial development inevitably—that the Government, which is going to have to deal with that situation, cannot initially acquire the land and, from that point on recapture some of the value created.

Thirdly, it safeguards the character of the development.

Also, as I said this morning, with respect to a whole host of unique scenic attractions, have the Government in the ownership business. I think the seashores of the country should have been acquired long ago. The problem of Venice land values, which Mr. Palmieri discussed earlier, is the problem of a great deal of speculation in the potential monopoly value of an irreproducible resource—the waterfront basins.

This is what is at stake, and if the City of Los Angeles had acquired the waterfronts, this kind of a somewhat spurious valuation would not have arisen. Anyway, my general feeling about the land market is this: if indirect planning activities such as utilities, roads, and other systems which are shaping the land, are carefully planned, controlled and enforced, I would quit worrying about zoning. If the really unique, and in this case, irreversible, values of the city and of the country can be identified, let them be purchased outright for posterity. If it turns out that there are too many of them to purchase, then, in my mind at least, it casts doubt upon their uniqueness. That's my feeling.

MR. WOODBURY: *Well, I wish we had time to pursue this a little further. But here is another question I wanted to put to Mr. Palmieri primarily. You used the term "job flight" in connection with some industrial development going on out there in your housing development. You later indicated that this particular one was very technically oriented and therefore very limited in the types of homebuyers it would attract.*

Do we know anything in this great metropolitan area, anything systematic, about the powerful movements of where the jobs are going as distinguished from where the residents are?

It seems to me that these are the things that we know less about, and still the viability of the dispersal pattern seems to me depends to a very considerable extent—over the next generation or so—on what happens to places of employment. I just wondered if there were, to your knowledge, any substantial studies focusing knowledge on any trends in that front?

MR. PALMIERI: Yes. There is considerable statistical information of value that is available. The Los Angeles Chamber of Commerce for one, I think, maintains some fairly good monitoring of that type of statistic. Actually, "job flight" is a kind of term that covers a lot of problems. The real significance, it seems to me, is in the changing nature of the employment market in Southern California in its relationship to people who need jobs. The statistics are very, very impressive on the growth in service and technical service and in government, particularly compared with the relatively small increase in manufacturing employment, which is having a drastic effect on the lower-income job market structure.

MR. WOODBURY: *I don't mean to exclude you, if you want to comment, Fred.*

MR. CASE: We have an added problem here because of the large number of aerospace industries, Government-contract-oriented industries, where, depending on the contract, the employment may be in Long Beach, Van Nuys, and so on; so that it's pretty hard in those industries to pick one place to live and expect to always go to the same place to work. We have a lot of movement around here and that's about 38 percent of the employment.

MR. DYCKMAN: I'd say in that connection, the Los Angeles area was the only area in the United States in the period 1950 to 1960 on to show any substantial growth of manufacturing employment. The Nation as a whole is now standing still in manufacturing employment; so if our record of manufacturing employment in Southern California seems not spectacular, I would point out that it is, in national terms, much better than the average, almost unique.

Another problem is in the standard industrial classification, because what count as manufacturing industry jobs are often not part of a traditional production manufacturing process. But in the aerospace field people are counted in manufacturing enterprises who are doing substantially different kinds of work.

I think what Professor Case says about employment is true. I call your attention to the fact that about a quarter of the physicists and mathematicians in the National Science Register live in this Southern California area. These people can be concentrated here largely for the reason that they constitute a skilled labor pool that is available to whatever firm gets the Government contract. There is a great deal of exchange of employers by this skilled pool, and the ability to commute on

the freeway system does make it possible for these people, in part, to exchange jobs frequently without changing place of residence.

In some cases—say where Douglas Aircraft moves out of Santa Monica into Orange County, some people may get tired of that commute.

MR. WOODBURY: *I do want to say, as several of my colleagues have said before, I consider the evidence this afternoon most stimulating and most useful and we are grateful to all of you. My time is up.*

MR. BAKER: Any further comments?

I am going to make a brief comment and observation. What I am going to attempt to say in about three minutes normally should take about four hours.

As one who lives day by day with these problems of expansion and the growing needs for public services, I cannot help but feel that much of the information we have just received deals primarily with the problems of today, and does not look far enough into the needs and means of tomorrow.

It's been said that our population will double by the year 2000. Therefore, we must double, in addition to any replacements, all the things that exist in the United States today. If California, and Southern California particularly, follows the pattern of the last 10 or 15 years we will reach that point of doubling by 1985. And therefore, we must look at the demands of society and of the people into the year 1985, and the year 1990, and the year 2000, and attempt to project what we are to be confronted with at that time and to establish the plans today for how that will be realized.

Again, I might look at this from a somewhat different point of view, perhaps, than most of those of you who teach economics or philosophy. As one who deals in practical application, I might say that it is indeed a far cry from the theories to providing the practical means to meet these demands, which are not always easy.

We speak of the need for the home—the quality of the home and the right of the individual to enjoy the good home. Somebody must pay for these. In addition the home generates considerable other demands in terms of transportation, as we noted in discussing the freeway, of airfields, and mass transportation for long distances, and other public services such as water supply, recreation, schools, libraries, and municipal services such as courts and records facilities. These are all part of the demands placed on society by this growth. So when we talk of these things as we see them today, the problem is that this is only a small part of what we are confronted with. We must project ourselves, not only to the year 1980 and the year 1985 and the year 2000, but perhaps even beyond. I believe that our past history and experience can give us at least some insight as to what we would have to meet in these respects.

At this time we will ask people from the audience who are waiting to testify before this Commission to speak. Before we do this, I want to express, on behalf of the Commission, our thanks to you gentlemen of the panel, and offer our deep gratitude for your contributions.

Mr. Ralph Lewis.

Mr. Lewis: Homebuilder's View on Land Prices

MR. LEWIS: Thank you, Mr. Chairman. As I mentioned yesterday, I am a small homebuilder operating in some of the suburban communities to the east of Los Angeles. [See p. 42.]

Hearing some of the land values and land figures in the central city here, I feel perhaps I have been overconcerned about land prices out in my area. But I do point out in the statement I brought in, that there has been a sharp increase. When I started in the building business in 1957 or 1955, we were buying good acreage at \$3,500 and \$4,000 an acre. The remaining land now, 13 years later, has gone to \$16,000 and \$18,000 per acre, which is a sharp percentage increase. Yet I guess it's very cheap with relation to prices here in the central city.

I don't think there is much that can be done about the land price. I do think much can be done with respect to making better and more efficient use of the land, and to prevent wasteful usage of the land. The thing that disturbed me greatly—and I hope your Commission will investigate it thoroughly—is the tendency of many communities to “upgrade” (I put upgrade in quotes). They feel that they are operating for the good of their communities by increasing lot sizes. This is happening in towns where I have been operating like Pomona, Claremont, Corona, and Redlands, which are all 30 and 50 miles east of here. All seem to be raising their lot sizes.

There is a happier trend, I think, going on in Orange County, where Supervisor Baker works. There some of the cities have found that land prices are too high. These high prices interfere with the ability of people to buy homes, so there has been a tendency towards smaller lot sizes. In my statement I cite a case where one builder asks the city of Anaheim to let him reduce lot size from 7,200 square feet to 5,000 square feet, and then reports in trade magazines are that they have a very fine subdivision. But in my area, the tendency is the other way. I bought land in Corona and in Redlands when the land was zoned to 7,200 feet per lot and after acquisition was rezoned up to as high as 10,000 square feet. This raises the cost of the lot. This raises the cost of the site improvements to a point where it becomes difficult for people in the area to buy. I think the cities that are doing the upgrading are doing something based on fallacious reasoning or misconceptions.

There are two main points I want to make about this. One is the idea that I dislike the most, the feeling that by upgrading and raising costs, they are bringing in a better class of people and keeping out minorities and other inferior classes of people. This idea, to me, is simply atrocious to us in our country, the United States.

The other point is, they have a misguided understanding of economics. They think that by having larger lots they will have more expensive lots; thereby they will get larger and better houses and have a nicer community. This too, I think, is very fallacious.

Like Mr. Palmieri described pretty well, a builder appraises his

product. The FHA does market analysis for a particular parcel, and his lenders determine whether the market price of a particular parcel or area should be \$20,000 or \$25,000 or \$30,000. Now, that's the limit you can charge for housing in that area and have any type of product. If your lot costs go up, then the house cost has to go down, and it works in reverse of what so many of these planners think.

So we keep arguing. We say, "If you will just let us have smaller lots we can get nicer houses." I never get the point across. The looks I get from the planning commissioners and councilmen show that they think I am a greedy subdivider wanting to tear down their standards to increase his own profits. I think the Commission in exploring and explaining this point can do a great deal of good.

My own town of Claremont, I think, is the very worst offender. Claremont has a street, a divide line—the name is Baseline, which isn't of importance—but all the remaining subdivision land is north of Baseline Road and the city has decided that all of the lots zoned there should be zoned for 15,000 square feet. With lots that large, and with the requirements they put in for improvements, it's impossible to build houses that sell for less than \$35,000 to \$40,000, and at that point we clean out 75 or 80 percent of the buyers.

It's evident that one of the reasons for large lots is that they are worried about minorities coming into the town. They think they will keep them out. This doesn't work. We are one of the few builders who will sell to minorities. We have sold to a few Negro doctors and school teachers. This restricting by price doesn't have an effect, but the town thinks it does.

The City of Claremont, and I use it just as an example that your staff might check—I am not trying to embarrass my own town—also said they would give some relief from this large lot size of 15,000 square foot, if a builder will do something interesting, if he will give curved streets and lots of varying sizes and shapes, greenbelts or open spaces and so on. We think this is unwise. What we are saying is, if you to save and economize and save something on your lot cost, you give it back in the cost of these extra improvements, and it depresses the building efficiency.

I can illustrate one point. There is a builder that got fed up with Claremont who wanted to sell his subdivision to us. We explored buying it at a reasonable price, and he was going to toss in the improvements as a cost. But he had followed the city's desires in having curved streets, and odd-shaped lots, and so on. We found that we could get no savings on these. I asked our designer to plot our standard houses, which are good and which have won national awards for design, incidentally. But there were no two lots on which the standard plan would set. We have to design for 40 lots, 40 individual houses. Now, this adds to the cost of our subcontractors. I will give three examples. Our plumber says if he gets repetition in the tract—if he builds six of the basic plans—he will figure the cost of material the same, but his labor is 25 percent cheaper. The idea there is that plumbing mechanics are not overly bright. If they go over one floor plan they have to puzzle over it, but if they have repetition five or six times, work goes faster. The same applies to our electrician.

He figures his labor at 25 percent cheaper, and so bids are lower where there is repetition. The same with our cabinet shop, and so on. cabinet shop, and so on.

We think then that the city is doing something that would be good in the planning sense—to have this variety—but they are making the homebuyer pay two or three thousand dollars more with these requirements. And that difference is what frightens so many people out of the market.

Have I reached the time limit, Mr. Baker?

MR. BAKER: If you could conclude, Mr. Lewis.

MR. LEWIS: Just a very short couple of points.

I think there is a great need for national fair housing laws. Some states have fairly good laws, like California, and some have weak laws and some none; but it puts quite a strain on the builder who does try not to discriminate and wants to sell, say, to Negroes, then finds that many people won't buy in that tract.

I had a very rare call the other night. I don't know if I will get another one in the next 20 years. Someone called and said, "Do you have a home next to a Negro family? We believe in integration and want to prove it." I'll be amazed if another one comes. I believe there is room for a uniform national law.

I think my statement pretty well covers the rest, and I notice Senator Douglas is reading through it. Are there any questions, Senator? It is pretty self-explanatory.

MR. DOUGLAS: *Well, I wish you would bring up more illustrations on the effect of codes, rather than labor cost which is really not a code affair but a union affair.*

MR. LEWIS: I'll give you a few examples of what I spoke of yesterday afternoon.

When I got to the office yesterday afternoon I decided to check what I had said. I mentioned in the statement that the identical house plans in Redlands and in Upland will vary \$175 to \$200 just in electrical requirements. I asked the superintendent to call Redlands and ask, do they really need this extra wiring? They are out of step with the other cities. Would they consider modifying or waiving the requirement? The answer was, "No, absolutely not. We don't care what the other cities do. We think it is good." I don't know what pressure we would have to bring, but a builder gets the feeling he can't fight city hall and cannot win in these arguments.

Suppose you do appeal and embarrass them. Then they will inspect you to death. But these are the things that raise building costs.

In the statement I do mention a number of other requirements in the four cities where the same plans cannot be built in any two of the cities. The difference is in heating and wiring requirements. All of them, we think, require too much. I think it was Dr. Case who mentioned four plugs in each room. It's a rare family that needs that many.

MR. DOUGLAS: *Do you think the number of outlets required is excessive?*

MR. LEWIS: I think in many cases, particularly where we try to bring our housing cost down, we think there is a great market for lower-priced houses. But what a city requires is like saying everyone should drive a Cadillac. Now, unquestionably a Cadillac is better than a Chevrolet, but many people cannot afford Cadillacs or don't want to spend \$9,000 on a Cadillac. And perhaps some of the lower-income families would be happier with a house that wasn't quite so well built, but one they could afford.

MR. DOUGLAS: *You said a lot, Mr. Lewis, but I would like to see responsible people submit a list of the code requirements which they regard as excessive: (a) inside Los Angeles, and (b) outside Los Angeles.*

MR. LEWIS: I mentioned yesterday that I am on the State Housing Commission, although I am speaking here as an individual not representing the Commission. But you may be interested to know that the Department of Housing, for which our Commission sets policy, is holding a meeting in Los Angeles next week to investigate causes of excessive building costs and we will go into these questions.

Mr. Weinberg, who spoke yesterday, and Mr. Well and Bill Lyon—three of the largest builders in the country—will be at this meeting. I will be glad to have our staff send your Commission a summary of what we get out of that. We intend also to present it to a Senate Subcommittee on Housing that is meeting in Washington later in July.

MR. BAKER: We thank you very much, Mr. Lewis.

MR. LEWIS: I appreciate the opportunity to come up here. If your staff does have any questions I will be glad to answer.

MR. BAKER: Have you, sir, indicated a desire to address the Commission? I wonder if you would come up. We can't hear you.

UNIDENTIFIED SPEAKER: Yes, I was here yesterday. I just had a few remarks. I wanted to point out one thing.

The question was brought up, and some focus has been brought to bear, on the question of minority groups. I think, realistically, we have to recognize when we talk about urban problems today and about the pattern of growth, we are talking of the problems of minorities. The cities are largely becoming peopled by members of minority groups. It's a fact, more or less, and therefore we have to deal with the question of what is happening to these minorities within the urban areas that we are seriously doing something about today. Therefore, I lead up to the question that Senator Douglas has put. That's the question of financing.

The fact of the matter is that large finance institutions have had a quota system of loaning in Negro communities at all times. They had "X" number of dollars to loan, and when that "X" number of dollars had been reached, no matter what your credit was, you didn't get any money. And in this area to some extent we had a freeze on, since people have expressed displeasure in certain areas of the city about various things. People are not able to get loans to improve or do things on homes from private lending institutions because of their attitude, plus the fact that savings and loan companies don't have money to loan because the money market has been manipulated and investors have floated towards

the banks rather than savings and loan companies. So even if they had better attitudes towards loaning to these people, I think the question is of opening up money, making home improvements and building under any available existing programs. This is an important step in providing housing for people in these urban areas.

Along these lines, on the basis of the discussion with many people who are in the housing field, I would like to propose that this Commission seriously recommend to our national government the usage of the existing FHA housing, which you can drive over the city and see standing vacant by the hundreds, which have been repossessed and stand day after day empty. On the basis of these repossessions, make them available on rent subsidies to low-income families. Otherwise they have no value, and the total investment in the house is lost and they serve no purpose. That is an immediate step that could be taken in the existing housing market, and many of the brokers in this city are interested in such a program being developed. I'd like to suggest also that the question of urban renewal is important, as the gentleman over here raised it, but we have to recognize that this question of whether or not it meets the needs of low-income families reflects what the plan was developed for. In most instances in urban renewal programs all over the country there has been little low-cost housing developed within the context of the particular urban renewal projects.

The last point I'd like to remind you of is that I do not find any great hesitancy by a minority group to move into any given area where there is adequate housing available. So, when a person tells you from a minority area that he doesn't care to move to Ignacio or Thousand Oaks or Mission Valley, or any of the thousands of developments we have around here, it's usually because of the experiences they have had in attempting to do this. In various other areas where people do have a tendency to move, I think there is building up a sympathetic history of experience. These are areas where people can move. Houses and space are available where they wish to live. Blocks are not thrown in their way in terms of financing or other means to keep these persons from finding and using the existing housing market.

Thank you.

MR. BAKER: I believe this lady, Mrs. Metcalf, indicated a desire to speak.

Mrs. Metcalf: Citizen Action to Keep Park

MRS. METCALF: I am Mrs. Roosevelt Metcalf. I am the Urban Park Chairman for the executive board of the Federation of Coordinating Councils in Los Angeles County.

I address myself to a point of view that you expressed, Mr. Baker, when you stated that we had to take a very broad point of view. I am here discussing the land usage and the lack of coordination among the Federal agencies on land usage.

In the east Los Angeles part of town here we have a large park in the Mexican community called Hazard Park. The Veterans Administra-

tion is asking to take this park and construct a hospital on it. There has been a great deal of correspondence between Mr. Driver [William J. Driver, Administrator, Veterans Administration] and our Federation on the need for this park for the residents in this community. Mr. Paul Bullock, who was a consultant for the McCone Commission on the Watts situation, has written a letter here with reference to the need for recreation and adequate open spaces in this area which I would like to leave with you. He states in the study that was made that east Los Angeles is second to Watts in their poverty categories and in the particular need for recreation.

I would like to also leave with you a copy of a letter which went to Mr. Driver from the president of our particular Federation which deals with youth welfare and prevention of juvenile delinquency. In this letter he talks about the taking of this park for the construction of a hospital whereas it could as easily be placed in a medical compound on junkyards which are a few blocks away and a blight to the community. Mr. Driver has that correspondence and is well aware of it.

I would like also to leave with you a map designating space for the medical compound in this area which is a junkyard community that could be used instead of the park. And it would be adjacent to the General Hospital.

I would also like to leave with you a photostatic copy of the minutes of the executive board's meeting that took place in our Federation in which an explanation was made of the case for the city. The city is being sued for taking this land and attempting to give it to the Veterans Administration against the city charter. The minutes state that it is in violation of the city charter and the citizens' rights.

I would like to leave with you a photograph of the park and the junkyards, showing the comparison and the need.

I would also like to leave with you certain pictures that were taken last week in this Mexican-American community when the Mexican people utilized this park to honor two very important people that came from this community. One was the recently elected Dr. Nava, of Mexican descent, the first Mexican, I believe, on our Board of Education. The other person is Bert Corona, who was the state president of the Mexican-American State Political Association. This park was utilized by a very large group of Mexican people to honor the victory of Dr. Nava in this election and to greet their state representative. Here are the pictures of that.

I am asking that your agency get in touch with the Veterans Administration and explain that in a community that is so depressed as that particular community is, where the need for open space, the need for beautiful rolling hills, the need for fully matured trees which have been evaluated at \$47,000 by the University of California, are real, in addition to housing. We feel that the Veterans Administration can and should be urged to take their particular hospital plan to an adjacent area which will still be within the medical compound that we are interested in lo-

cating in. It will beautify that particular part of our city, which needs beautification tremendously.¹

MR. BAKER: Thank you very much, Mrs. Metcalf.

It is now well past the time for this Commission to adjourn. However, this gentleman did request permission to be heard earlier, and I did grant that to him. So if you will please identify yourself.

Mr. Mann: Federal Agencies at Cross-Purposes

MR. MANN: My name is Alec Mann. I am a conservationist, and I am here to talk to you people about my experiences as a conservationist with local government, but mainly with the experience that we conservationists and open space people have with the Federal Government.

It's been our experience when we set up committees, as we have, that the Federal agencies simply do not listen. We have a committee consisting of architects from the University of Southern California School of Architecture; Dr. Paul Bullock, to whom Mrs. Metcalf just alluded, who has served on the McCone Commission, and who is a research economist at UCLA; and Dr. Arthur Carson. All these men, who are experts, have repeatedly called to the attention of the government agencies like the Veterans Administration that the local citizens' committees who have been concerned with saving this local park—Hazard Park—have the support of the Urban Design Chapter of the American Institute of Architects, in doing alternate site studies with the Veterans Administration. They would undertake feasibility studies to determine the suitability of local junkyard sites and other local sites in this area which contain blighted, deteriorated, and dilapidated buildings—sites with approximately 35 percent dilapidation.

These citizens' committees, which contain people with equally professional skills, have gone to the VA, have met with the directors of the VA, and offered to do alternate site studies, using competent architects, landscape architects, and building architects. The Federal agencies simply do not listen to professional autonomous groups who come forth in the best American tradition of self-help for the local indigenous people here. The Federal agencies simply don't listen to groups that make up these public-spirited offers and try and find intelligent alternatives so that the Government is not put in the position of simply having a hard-nosed polarized confrontation with the local people.

We have had this experience, for example, in the case of the local housing authority, which has a large housing project adjacent to Hazard Park—the Ramona Gardens Project which has 5,000 people in it, most of whom use Hazard Park. We wrote to Robert Weaver [Secretary of Housing and Urban Development] and pointed out that every year HUD provides annual subsidies to the Ramona Gardens, their tenants have an

¹ Chairman Douglas after the session told Mrs. Metcalf that, although the National Commission on Urban Problems had no powers to act in this matter, he would personally get in touch with the Washington office of the Veterans Administration. Later, in conversations and through correspondence, Mr. Douglas urged the VA to give the fullest consideration to the desirability of preserving Hazard Park.

interest in this park because they use it, and there have been two gang murders in that park within the last two or three months. We got a letter back from Weaver in which he stated that this was a matter of no concern to them; it wasn't in their jurisdiction. So we have one Federal agency taking land under the right of eminent domain; and we have another Federal agency which, under the concept of HUD, has a responsibility to see that its tenants have adequate amenities to open space and recreation. The Federal agencies are constantly canceling each other out and refusing to look into these matters in a responsible manner.

We feel this is a wonderful opportunity for the Government to upgrade this whole east side area and put this hospital in junkyards, which is a 20-acre location as large as the park; to stick it on one of those. There are six alternative sites listed on the maps which Mrs. Metcalf gave you. This gives the Federal Government all sorts of intelligent alternatives to upgrade the whole area. We feel that the Government should be more responsive to the responsible approaches from indigenous groups. This is my main feeling.

MR. BAKER: We appreciate your taking the time to give us this information. However, you understand that this Commission is not a lobbying agency and we are limited in the use we can make of the information you have given us.

Thank you very much.

(Adjournment.)

The Commission on Sunday, July 2, spent several hours in Watts, first viewing the area affected by riots in the summer of 1965, and then meeting informally with Watts residents representing many organizations and viewpoints. The wide range of problems discussed included crowded housing, shortages of housing for large families, over-organization, urban transportation, under-participation of the poor, absentee ownership, salary discrepancies in government-funded programs and many others.

Excerpts from prepared remarks, supplementing oral presentation by Prof. Fred E. Case, beginning page 161.

LOCAL POLITICAL CONSTRAINTS ON URBAN GROWTH: LOS ANGELES

The problems of achieving quality and growth in a large metropolitan community can be visualized if we understand that Los Angeles City is but one of 80 cities in Los Angeles County, which is also made up of at least 135 distinctive socio-economic communities. The size and growth of Los Angeles County has been such that its influence extends over at least the adjacent six counties creating a metropolitan area that is second in size in the United States. If the present rates of growth continue, the Los Angeles metropolitan area, which by 2000 will consist of the fourteen southernmost counties in California, could contain as much as 20 percent of the population of the United States. Although Los Angeles may become

the largest metropolitan area in the United States it could also become one of the worst politically fragmented urban areas with thousands of political jurisdictions vying for ascendancy and funds.

At the core of the Los Angeles problem lies the lack of strong urban leadership. The mayor of Los Angeles City not only lacks real power outside of his city but even within finds his capacities eroded by city, state, and Federal political bodies of all sorts. The nearest approach to providing some leadership and some cooperation in shaping the southern California metropolitan scene was the creation of SCAG (Southern California Association of Governments) which in many ways can be likened to the United Nations. It provides an excellent forum for discussion but has almost no resources and few powers for implementing its decisions. Leadership is fragmented among rapid transit districts, the highway planning commission, state park boards, municipally owned and operated airports and utility facilities, independent regulatory commissions for zoning, building codes, and health, property owners' organizations, and private citizens' groups for parks, causeways, minority housing as well as varieties of other official and quasi-official organizations.

Fortunately, some of the smaller cities in the Los Angeles metropolis are doing better than Los Angeles in planning, but their planning tends to contribute to the isolation, fragmentation and scatteration that is so characteristic of southern California urban structuring.

By concentrating on the growth and land use problems of Los Angeles City, we can develop an understanding of the political restraints that are undermining not only its economic future, but the future of other urban areas. Los Angeles City is not only the most visible city in southern California but also one burdened with all of the problems of scatteration, fragmentation and contradictions with which any urban area is beset.

The problems of Los Angeles arise essentially from the fragmentation of power that permits a variety of independent political entities to impose their ideas of city structuring on the rest of the city. For example, the city planning department can approve one type of use for a particular area but can be overruled by the zoning appeals board, the planning commission or the city council. If the use is finally approved, building code limitations may require improvements that are impossible financially. Both the planning and building codes actions may be upset by the tax assessor placing an assessed value on the property that makes impossible any use of the property except for speculation. Planners and assessors make open space too costly to retain. In the meantime the school board may condemn the property for school uses, the highway commission may take a portion of it for a highway or freeway, the public works commission may require portions of the property to be dedicated for sidewalks and streets, and so on and on. An untold number of agencies can produce adjacent land uses or restrictions on intended use that will completely destroy anything that the planning department had hoped to achieve.

The politics of urban fragmentation have not only produced 80 cities in Los Angeles with prospects for many more but also have produced two distinct types of communities within Los Angeles City. The contrasting characteristics of the two communities are summarized in Tables 1 and 2. In the San Fernando Valley suburbs we find families enjoying all the benefits that this century has to offer and impatient to sample the attractions of the next century. In central Los Angeles we find families living in conditions reminiscent of the last century, who hope only for survival. Further, these central city families are grouping into isolated societies which are not allowed to make contributions to the Los Angeles economic and social life merely because they are old, or poor, or of a minority race. Since these societies are connected through political necessity with the affluent suburbs the suburbanites pay the costs of maintaining and supporting these societies. This process is hastened by varieties of city authorities who abandon their broader urban responsibilities in favor of the technicalities of their enforcement processes.

In San Fernando Valley we find 4 percent of all families in Los Angeles City with annual incomes of under \$1,000 as compared to 38 percent in the basin or central portion of the city. Ten percent of all sound housing is in Los Angeles

TABLE 1
Housing Occupancy in the Los Angeles-Long Beach SMSA, 1960

Type of Occupancy	Location						
	SMSA	Los Angeles County	Orange County	Long Beach	Los Angeles City		
					Total	Basin	S.F. Valley
Type of Tenure:							
All units	100%	100%	100%	100%	100%	100%	100%
Owner-occupied	52	51	64	46	43	35	60
Renter-occupied	41	43	25	47	50	58	26
Vacant, available for rent or sale	5	5	6	5	5	5	3
Vacant, not available for rent or sale	2	1	5	2	2	2	2
Availability of units for sale or rent	100%	100%	100%	100%	100%	100%	100%
Available for rent	81	83	67	89	87	93	56
Available for sale	19	17	33	11	13	7	44
Persons per room							
All units	100%	100%	100%	100%	100%	100%	100%
0.50 or less per room	43	43	36	49	46	49	36
0.51 to 0.75	24	24	25	24	23	22	28
0.76 to 1.00	24	24	29	21	23	21	28
1.01 or more	9	9	10	6	8	8	8

SOURCE: U.S. Bureau of the Census, *U.S. Census of Population and Housing: 1960. Los Angeles-Long Beach Standard Metropolitan Statistical Areas, Census Tracts*, Final Report PHC(1)-82.

City, but only 5 percent of all dilapidated or deteriorating housing is located in San Fernando Valley. Twenty-nine percent of all sound units but 41 percent of the deteriorating and 35 percent of the dilapidated units are located in the basin portion of the city. In the San Fernando Valley the typical house has five rooms but in the basin city only four rooms. Similar disparities occur in any comparison of housing conditions in San Fernando Valley and the basin portion of Los Angeles City.

Zoning and master planning rest on the assumption that private ownership of property should be essentially inviolate, to be disturbed only when public "welfare, health, or safety" is threatened. For this reason zoning always changes. Master plans and zoning also expect to permit maximum influences of the market place to indicate the patterns of land uses that should be permitted. With the kinds of imperfect real estate markets that exist, special interests that could ultimately damage public welfare are often indistinguishable from those uses that would promote better quality in urban living.

Building code enforcement further complicates the problem. Los Angeles takes great pride in its codes, revising them every year to maintain the highest standards in all types of construction. These standards plus zoning requirements explain in some measure the constant increase in housing construction costs in Los Angeles so that today the typical new home (including costs of land) will cost at least \$20,000 to \$25,000 to build. If annual family income is \$8,000 to \$10,000, as is the income for most of the Los Angeles families, these prices are fine, but if the

TABLE 2

Condition of Housing in Subordinate Political Units of the
Los Angeles-Long Beach SMSA Compared to SMSA Totals

As Percent of SMSA Totals							
Characteristic	L.A. County	Orange County	Long Beach	Los Angeles City			Remainder of SMSA*
				Total	Basin	S.F. Valley	
Housing Condition							
Sound	90%	10%	6%	39%	29%	10%	45%
Deteriorating	93	7	5	46	41	5	42
Dilapidated	89	11	3	40	35	5	46

*Los Angeles County exclusive of Los Angeles City and Long Beach.

SOURCE: U. S. Bureau of Census, *Los Angeles-Long Beach, California SMSA Census Tracts, 1960*, Final Report PHC(1)-82 (Washington: U.S. Government Printing Office, 1962). Tables P-1, 11-1 for L.A. County, Orange County and Long Beach; special Census tapes were used for L.A. City and its subordinate parts.

family is Negro or Mexican-American with an income of \$3,000 to \$5,000 these prices are impossible.

When code enforcement is offered as a means of removing blight in Los Angeles its standards provide a threat of property condemnation without compensation for many of the property owners in the enforcement districts. If the property is located so that it can be converted to commercial or industrial uses then the owner can sell rather than improve his property. Such was the case in the first code enforcement program in Los Angeles in which approximately 350 homes were inspected and all but five were demolished. If the property is not convertible to better uses the owner will try to avoid improvements as long as is possible. If forced to meet code standards he may have to sell or abandon his property.

Any Los Angeles property that is at least 20 years old and in a lower value range frequently cannot be brought up to code standards economically and must be demolished. If the owner does demolish the building he may find that zoning laws do not permit the construction of another home on his lot. As building codes become more stringent the costs of new construction rise forcing builders to move farther into the suburbs in search of cheaper land. Large areas of the central city thus become slums and the suburbs become developed in costly uneconomic ways that are too costly and uneconomic for the poorly housed of the metropolitan area and for the municipal government to which they become attached.

The uncertainties of zoning coupled with the influences of the freeways encourage the residents of the older neighborhoods surrounded by the freeways to neglect their homes and apartments in expectation of land use planning changes. Hopefully these changes will produce different land uses and higher values but since the areas within which such changes will take place are unknown few if any persons are willing to improve their properties. Building code enforcement for the purpose of curing blight in areas influenced by freeways simply results in the demolition of a high proportion of residential properties. The minority family occupants of the demolished properties are forced into the more crowded living in the remaining

TABLE 3

Housing and Population Characteristics, Los Angeles County, South Los Angeles, East Los Angeles, Watts 1960 and 1965

Characteristic	Los Angeles County		East Los Angeles		Area South Los Angeles		Watts	
	1960	1965	1960	1965	1960	1965	1960	1965
<i>All Housing Units</i>								
Number	2,142,139	2,463,745	55,134	52,960	117,505	114,080	8,413	8,160
% Sound	92.2%	93.0% ^e	75.2%	65.3%	81.9%	66.6%	81.1%	73.7%
% Owner-Occupied	51.2%	51.0% ^e	35.5%	34.5%	40.6%	38.3%	36.3%	33.9%
% Non-white Occupied	6.3%	8.0% ^e	9.1%	7.8%	68.7%	80.2%	88.1%	89.4%
% 20 Years or more	40.8%	45.0% ^e	73.5%	74.0%	72.4%	72.1%	41.5%	51.7%
Owner-Occupied Units ..	\$15,000	\$19,656 ^e	\$11,800	\$16,400	\$11,300	\$14,600	\$9,800	\$13,000
Median Gross Rents	\$81	\$90	\$63	\$75	\$69	\$77	\$63	\$73
<i>Population</i>								
Total Number	6,038,771	6,853,027	192,938	178,330	355,132	320,830	34,001	29,990
Persons Square Mile	1,479		12,379		12,480		13,818	
Median Family Income ..	\$5,157	\$6,823 ^e	\$4,078	\$5,094	\$4,733	\$4,736	\$3,584	\$3,803
Unemployment—as %								
Civilian Labor Force								
Male	5.7%	5.8% ^e	8.5%	7.7%	11.0%	10.1%	15.6%	13.2%
Female	5.9%	5.7% ^e	7.3%	6.8%	10.4%	11.5%	13.9%	13.1%

NOTES: South Los Angeles includes: Avalon, Green Meadows, Watts, Florence, Willowbrook, Exposition Centre.
East Los Angeles includes: Boyle Heights and East Los Angeles.

SOURCES: *Los Angeles-Long Beach, Calif. SMSA, Census Tracts Final Report PHC (1)-2*, U.S. Bur. of Census, 1960.
Characteristics of the South and East Los Angeles Areas, Nov. 1965, Series P-23, No. 18, June 28, 1966, U.S. Bureau of the Census.
Estimates based on other data are indicated with "e".

properties. These families do not move to the suburbs because they cannot afford the new housing and probably would not be wanted by their neighbor even if they could afford to buy. In the meantime the city faces increasing financial deficits as lack of planning permits private development of uneconomic combinations of land uses, as freeways remove valuable land from the tax rolls, and as the lures of southland climate and economic advantages attract a disproportionate number of minority families to the central city grey areas.

At the core of our urban problems lies our failure to recognize that cities are basically economic, not political machines. Each city has resources at its command that can be combined to produce an array of economic activities. These economic activities in turn produce employment and family income that determine the combinations of private and public land use demands that will be created. These demands cannot be changed by land use planning, zoning, building codes or tax assessment practices but only by changes in the basic economic structure of the city. Unfortunately we have only the most superficial knowledge about the structuring and changes occurring in the economic foundations of any of our cities. We probably know more about the economies of other nations in the world than we do about the economic structuring of our major metropolitan areas.

The few analyses that have been made of major economic areas indicate that each has special economic advantages not possessed by the others. If an accurate inventory were available of the special economic strengths of our cities we might then inaugurate a program of economic development to produce the kinds of employment opportunities that will produce better balance in personal income distribution and in our urban land use demands. Our cities represent the Nation's most important economic resource and aggregating economic statistics to measure the national economic health fails to reveal the disparities in our urban economies and the crucial economic survival situations they face. We must begin to identify and maximize the potentials that exist for urban differentiation and specialization. We are aware of how the removal of political restraints and attention to comparative economic advantage revitalized the common market countries; we should explore adaptations of this to our urban problems.

Our urban problems will not be solved until we obtain more imaginative political statesmanship among our urban leaders. It is horrifying to realize that Los Angeles County, or even Los Angeles City, contains more population than many states, but lacks the central leadership found in the least of these. The vacation of the state government in this area is only too evident. Cities are the creatures of the state but once the state has approved the creation of a city it leaves the city almost entirely to its own resources. If the state does not then some other agency must begin to establish standards to guide the performance of city authorities. The creation of supra-metropolitan governments has been mentioned but the experience with these has not been entirely satisfactory. Cooperation of cities at an operational level such as in the Lakewood plan has been tried with some success. The most important cooperation still needed is in defining and implementing appropriate land use goals. Local governments will have to forego some of their powers in favor of joint land use planning and control.

The ability of major business enterprises to engage in and implement long-range planning is well known and needs to be adapted to our urban land use planning. The typical land use plan for a major urban area is almost primitive as compared to sophisticated corporate planning or as compared to the kind of national economic planning used to set and achieve national goals. Translation of master planning into zoning laws is no longer sufficient as a means of achieving quality in urban living. Planning and zoning must include better goal setting, better goal implementation even if this means greater restrictions on some forms of private property rights.

Land use planning and zoning must move away from their fascination with buildings and land to a real concern for human values. Desirable land uses should be measured in terms of their impact on people. A city is people, as Sophocles mentioned many centuries ago. Planning first for the people element would produce land and property use standards more consistent with important human values.

Social zoning to produce the most desirable combinations of human activities and relationships should be incorporated into any master plan for city growth and structuring.

Master planning should include careful estimates of the impact on the economic base of the city and the municipal financial base of each type of land use proposed. Requests for variance should be supported by estimates of its impact on municipal tax revenues and expenditures. More varieties of land uses need to be encouraged and permitted in order to accommodate to the tremendous varieties of human needs that exist in any city.

Building codes impose undesirable rigidities upon the physical development of the city that more than exceed the minimum levels necessary for protecting public health and safety. There is little reason why a basically sound structure should have to be torn down because the building codes impose uneconomic rehabilitation requirements on the property. Building codes could be revised to match the varieties of zoning and properties that are found in a given city area. Both zoning and building codes should permit the construction of low-cost housing that could be purchased or rented by some of the lowest income families living in the city. Consistent and regular enforcement of reasonable building codes standards on existing properties would also protect the property tax base and prevent the kinds of decay that produce so much of our urban blight.

Tax assessment practices and laws could be coordinated more closely with master land use planning. The assessor should be expected to give paramount if not exclusive consideration to the impact of the land use limitations on property values. The assessor should not be allowed to recognize market demands at variance with the master plan and to assess at values he presumes represent highest and best use values even though these values could not be realized under existing zoning.

Finally, those agencies that can subvert or ignore the land use and economic planning goals of a city should be required to give full consideration to these goals when any action on their part might prevent the achievement of these goals. Economic and land use planning goals should be paramount to engineering considerations in freeway development. Airport and harbor commissions, water and power utility companies, should be required to coordinate their land developments more closely with appropriate city planning agencies. The development of new airport facilities, the location of new rapid transit facilities, the placement of water and power facilities, the positioning of major streets should be coordinated with anticipated future land use needs, not solely with the needs or plans of the constructing agency. Unfortunately too many of these public agencies are fully insulated from the pressures of elected officials or the voters who must live with the poor land uses produced.

As we all know, nature abhors a vacuum and the vacuum created by a lack of strong urban leadership has produced a variety of private and public agencies which are seeking to overcome that vacuum in Los Angeles. As each attempts to impose its own set of values on the Los Angeles metropolitan area we have developed a situation in which we really do have 80 suburbs in search of a city. Until we do have some leadership we cannot condemn those who are seeking to impose their own special standards on the metropolitan area. .

San Francisco

Commission Members Present: CHAIRMAN PAUL H. DOUGLAS, DAVID L. BAKER, JOHN DEGROVE, ANTHONY DOWNS, EZRA EHRENKRANTZ, JEH V. JOHNSON, JOHN LYONS, RICHARD W. O'NEILL, MRS. CHLOETHIEL WOODARD SMITH, TOM J. VANDERGRIFF, COLEMAN WOODBURY

*California Palace of the Legion of Honor
San Francisco, California
Morning, July 5, 1967*

Urban land use patterns in rapidly expanding metropolitan areas were discussed at the morning session. Attention focused on the political and economic reasons why outlying communities generally fail to provide housing and related facilities to attract low-income and Negro families.

PROBLEMS OF THE URBAN FRINGE

MR. DOUGLAS: The National Commission on Urban Problems, established by President Johnson last January, has come to San Francisco to carry out its responsibilities. Our purpose is not to investigate this city or any other city. Rather we believe that we can best perform our task by actually holding public hearings in the cities and urban areas of the country, and I think quite probably in the suburban areas as well. We want to see and hear what is going on. We also hope that the public may find the hearings a means of concerning themselves with the major issues before us.

Our San Francisco witnesses are both local and from other areas of the country. But we have asked them to address themselves to certain specific subjects, such as zoning, space, and land use this morning; low-cost housing this afternoon; urban design and housing technology tomorrow; and government structure and finance on Friday.

We have also tried to select places or settings for our hearings which are in harmony with the subjects before us. Here in San Francisco, we are meeting today at the Palace of the Legion of Honor, built as I remember, during the great San Francisco World Exposition of 1915, and at the historic Dolores Mission, just as in Boston we met at the Old South Meeting House and at the Roxbury Y.M.C.A. These settings illustrate some of the good things found in our central cities.

I am also delighted that one of our members, Mr. Ezra Ehrenkrantz,

is from San Francisco. We are proud to have him as a member of our Commission. He adds knowledge and distinction to our group. I am going to ask him to chair our meetings while we are here.

At the end of each session we will set aside a period for those who wish to present statements on the subject matter before us.

Let me add as a personal word that it is a great privilege to meet in what is one of the most beautiful American cities, and we are deeply indebted to the witnesses, who made sacrifices in time in their very busy lives to testify before us.

I will turn the meeting over to Mr. Ehrenkrantz.

MR. EHRENKRANTZ: Thank you, Senator Douglas, for your kind statements about our city of San Francisco.

This morning our subject is "Land and Space in Urban Development." The hearing is devoted to the matter of urban growth with emphasis on what is happening in the urban fringe. We are interested in examining how growth takes place, what the major determinants of this growth are, and how we might channel development in socially desirable ways. In this last connection, we want to explore the rules of zoning and other public actions and controls.

Our first speaker this morning is Mr. Sam Wood,¹ Executive Director of California Tomorrow.

The Commission will wait until after all three witnesses have spoken before asking questions. Mr. Wood.

STATEMENT BY SAMUEL E. WOOD

MR. WOOD: Mr. Chairman, Senator Douglas, and members of the Commission.

I think that we all appreciate the fact that California, like nearly all of the states of the Union, has handed over its responsibility for the land and landscape to local government. I think we all know about what the results have been.

In spite of urban renewal, the core areas of our cities become more and more the living place for the rich, the poor, and the minority families. While the failure on the part of the cities thus permits the continued deterioration of the downtown areas, the county usually refuses the responsibility for the developing circle of decay on the outside fringe.

Enough land is zoned commercial in almost any California metro-

¹ Mr. Wood's varied career in planning, administering and teaching conservation encompasses two years as California State Director of the Agricultural Marketing Administration, U.S. Department of Agriculture; six years with Bureau of Reclamation, U.S. Department of Interior in Sacramento; research director for California State Legislative Committees for six years in fields of conservation, public works, and planning; head of own planning and research business for five years. Executive director of California Tomorrow, nonprofit educational organization since 1961. Joint author, with Alfred E. Heller, of *California Going, Going, Gone . . .* and *The Phantom Cities of California*, and with Daryl Lemcke, of *The Federal Treats to the California Landscape*. Ph.D. in economics and political science from University of California, 1940.

politan region to take care of the total needs of the state for the next 20 or 30 years. Santa Clara, Sacramento, and Los Angeles counties have zoned nearly all major roads in urban areas strip-commercial. Hamburger joints flash their wares in unending monotony and billboards sprout like dandelions. And it isn't the billboards, by themselves necessarily, that offend. They also disfigure scenery and open spaces, and invade privacy. On the San Francisco skyline, signs have reached the point of saturation and are no longer effective.

Local Government Responsibility for Uglification

The almost deliberate uglification of the California landscape is so characteristic of every California city, town and cow county, that it seems to be recognized as an inevitable byproduct of California growth.

The failure of cities and counties to reserve significant open space against the onrush of urbanization is a well-documented statewide scandal. The flood plains, hilltops and tidelands wantonly consumed by urban growth were sacrificed by local government.

Shoreline filling, dredging, and draining are eroding waterfront areas and destroying major fish-spawning beds and wild-fowl feeding areas, while bulldozers are leveling off the remaining hilltops and filling in the flood plains. The face of nature is being changed, and in the process fish and wildlife remaining in metropolitan areas are being heedlessly exterminated.

The open space provided by California's farmland is also being devoured by hasty and uncontrolled growth. In recent years the average withdrawal of agricultural land is about 150,000 acres per year. It appears that approximately one-fourth of the land suitable for agricultural use will be converted to urban purposes by 1975. The city of Los Angeles has occupied over 90 percent of the best agricultural land in the greater metropolitan area. Less than 40 percent of the prime Santa Clara Valley lands remain in agriculture. Much of this land has been leap-frogged by sprawling subdivisions. In Sacramento County, for example, twice as many people could be settled on land that is already within the urbanized area and still have present low-density, single-family dwellings—with schools, streets, and parks.

Tax programs and fiscal policies of local government are in large part determining the contours of California land. Assessors throughout the state are undervaluing land in relationship to improvements contrary to the state constitution. Studies in Orange and San Diego Counties indicate that vacant land is assessed about one-fifth the level at which homes are assessed.

Competitive county subdivision regulations entice large-scale housing outside of municipalities in areas unserved by police or fire protection, sewer systems, and other municipal services. This land then is picked up by the speculator and developers are forced to skip over it and build urban islands beyond. Islands of undeveloped land are common in both counties and cities.

Federal Tax and Fiscal Policy Share Blame

If local government programs and non-programs have encouraged the invasion of open space and agricultural land by slurbs, it is pretty clear that Federal and state policies and programs have helped make this result inevitable. There is no doubt that Federal tax and fiscal policy is actually encouraging the dispersion of urban growth and speculation in urban and fringe property.

The shelter available to land speculators under capital gains permits them to credit the costs of holding against the loss if the land does not pay off. If the land does pay off, the higher return is taxable only at the capital gains rate. The gains tax, therefore, makes profitable the rapid expansion of property ownership to generate income taxable at the capital gains rate or to create tax deductible losses. In addition, the whole of the local property tax, which is supposed to be a deterrent against increasing prices, is deductible from Federal and state income taxes.

While the property tax tends to reduce land values, the full deduction of mortgage interest and local property taxes from the Federal income tax counters this tendency, and thus no manner of land value taxation to discourage speculation can affect the upward trend.

From the beginning, the policy of the Federal Housing Administration has favored new housing over old in its interest rates, and single-family homes against multi-family rental units. Since available land has been primarily outside incorporated cities, it has been better economics for builders to go to open country land.

I am convinced that we need to reexamine this delegation of land use control and take a new look at the relative local, state and Federal responsibility for California's beauty and productivity. It makes no sense, and no landscape is saved, when the land is turned over to the developers who also are the town council and the county supervisors—the very local establishments now making money out of destruction.

It was the Marin County Board of Supervisors that permitted subdivision invasion of Point Reyes, and the city council that cut Sacramento off from its river with a freeway that also destroyed historical values of national importance.

The myth of local "home rule" grants those polluting an area, a region, and the state the power to control their own pollution. The five counties around Lake Tahoe in Nevada and California that refuse to control growth assure the pollution of the lake. These same people have even refused to vote bonds made necessary by their presence. The cities and counties of San Francisco Bay demand the right to continue the destructive filling of the Bay under the doctrine of "home rule."

The blunt fact is that the state has also failed to establish policies and programs to organize open space against urban growth, to avoid the pollution of land and landscape, forbid the blotting out of

scenery by billboards, and prevent the scattered suburban settlement and business developments along its newly constructed freeways.

On the whole, Federal agencies are aggressively unconcerned with aesthetics. Just the opposite. The cities of the San Francisco Bay Area may be involved in the sneaky filling of the Bay. But the Army Corps of Engineers, the only agency with the power to prevent the filling, is furnishing these cities fill material from its dredging operations.

Over 40 different Federal agencies and an almost equal number of agencies in the state are involved in a "hit and miss" uncoordinated program for the management and nonmanagement of our environment. On the whole, these agencies have been created to carry out single-purpose programs with their own independent single-purpose policy-making powers. With this broad dispersion of powers, it is impossible to expect that separate agencies working together will take on environmental problems with a singleness of policy and dedication.

Seldom, indeed, do we find state and Federal agencies in opposition where the destruction of the land and landscape is concerned. Actually the Federal agencies are known to be involved with state and local counterpart agencies in actions that downgrade the environment. Each regulatory or action agency has its own clientele or support group, its own congressional or legislative committee—also captive of the support group—and its backup state agencies serving the same clientele. When the California North Coast logging trucks and timber interests in the redwood park controversy speak for, and in the words of, the State Division of Highways, they also speak for the Bureau of Public Roads.

Not only does each Federal agency have a single-purpose approach to our land and landscape, but there are as many land and landscape policies as there are agencies and programs. There is no national policy on how land and landscape should be treated, and no single national policy to protect the considerable national investment in the beauty and productivity of the individual states. There is no strong set of standards uniformly applied as conditions for the Federal largess that helps cushion the impact of growth.

How to Bring about Effective Land Control

How can we redistribute the power to control our land and landscape to make it effective and meaningful?

In the first place, the state needs to breathe life into our regional cities in order that regional planning and administration can rescue vital land use and open space decisions from the local governments immediately involved.

All Federal grants and capital improvement programs should be conditioned on area-wide planning and administration. Special grants to the state to assist area-wide administration on a matching basis are needed to induce the creation of regional agencies through which the state could administer programs of area-wide influence. These regional agencies, under the guidance of state goals and devel-

opment needs, could assume the responsibility of coordinating all Federal and state developmental programs within the region.

Secondly, the Federal government should goad the state into assuming more positive and meaningful responsibilities for protecting the environment. The state needs to stop pussyfooting on beauty and amenity—it needs to furnish policy to guide local decisions, and state plans to carry out that policy. The state needs to be specific in its direction to local leaders on their responsibility for defending the environment. Federal regulations and state law must provide that all local development plans carry a special element on open space and amenities in order to qualify for Federal and state aid. In short, local government needs precise direction by the state in what it must do in order to maintain community beauty. It needs to be instructed that beauty is not a dirty word, that amenity is part of local government's responsibility, and that beauty and amenity must be planned for and must be budgeted as part of the community's capital improvement program.

Third, I would like to suggest that there are maximum, optimum and minimum sizes for any urban area. This is the "size of plant" concept of Coleman Woodbury. It is related to the size, location, and relation to one another of the major land use areas, the densities of their development, the transit and transportation facilities that serve them with power, light, communication, and water. In the words of Professor Woodbury, ". . . who knows what sizes and patterns of metropolitan plant will make possible the most efficient provision of public services and contribute most to the effective prosecution of the chief human activities—of individuals, families, and of business and industrial enterprise—that are carried on within it?"

I suggest that it is time we find out. I think it is time for the full enlistment of models and electronic data processing as an aid to establishing Federal, state, and regional policy and standards on the optimum size and location of new communities. Fed into machines could be urban standards involving natural resource and economic base data, topography, air and water pollution factors, national defense and survival characteristics, the cost of government services, and the transportation of people and goods. The areas under study could then be processed through automated models to compare actual characteristics against accepted standards to determine possible locations and optimum size for each urban unit in each location.

Finally, the Federal government should realign its various programs to effectuate development of sound urban units. For example, no Federal money should be made available for backstopping growth that is out of control, or growth that heedlessly destroys prime agricultural land. No additional water should be furnished these areas by Federal programs and no transportation systems should be subsidized. No housing or Federal loan money or mortgage guarantee programs should be available to those areas. While the Federal loan and grant programs should no longer be extended to overbuilt and unsound local development, Federal aid funds and special Federal tax

inducements and public facility construction programs need to be extended to new areas for the construction of completely new cities. These new cities, built to human scale, could be located in controlled, healthy, and beautiful environments off the fertile flat lands in the smog-free foothills. Land use planning could become an effective tool to protect the environment. Beauty could thus be built into our cities as they grow, as a product of growth itself, and beauty could become an accepted and important responsibility of government.

Thank you.

MR. EHRENKRANTZ: Thank you very much, Mr. Wood.

The next speaker is Mr. William Leonard,¹ Executive Vice President, Associated Home Builders of the Greater Eastbay. Mr. Leonard.

STATEMENT BY WILLIAM T. LEONARD

MR. LEONARD: Thank you, Mr. Chairman, Senator Douglas, Mrs. Smith.

My purpose today is to attempt to summarize, in a constructive way, one specific concrete suggestion that would assist the private housing industry to provide additional major quantities of modest-cost new housing.

Authority-Responsibility Equation Missing

First, I want to bring to your attention a major administrative principle that is being violated in the relationship between the Federal Government and local communities. One of the basic principles of administration is that authority has to be equated with responsibility. In terms of planning, zoning, and the relationship between the Federal Government and the local communities, there is no equating of authority and responsibility, and, thus, one of the basic principles of administration is violated. Now, how does this work?

Let me quote from the opening statement of almost any new planning director who has been hired by a growing suburban community, or from the first speech of the out-of-town planner who has been hired to draw up the master plan for a local community. It goes something like this:

"Ladies and Gentlemen. With the tools that the art and science of planning have developed, you have in your power the ability to make your community anything you would like it to be."

And what does the local community—if they had their "druthers"—want? Well, first of all they want all cream and no skim milk. They want the best, not only in terms of physical structures and facilities, but also in terms of the economic levels of the people who will be-

¹ In trade association field 12 years; with Greater Eastbay homebuilders association since 1961. Master's degree in business administration from University of California; faculty member of University of California's Extension Division.

come their future citizens. They are willing to accept some industry for their tax base, but it has to be the cream—the research type—and not heavy industry. These goals adopted by the local community are somewhat natural, and each community engages in a game of “one-up-manship” so it can out-do its neighboring communities. In the communities’ race for the cream, they really give no thought to a balanced community—no thought to providing for one of people’s basic needs, shelter—shelter for all economic levels that may wish to live in the community, for those who will teach in their schools, clerk in their supermarkets, and work in the industrial plants.

The easiest way for a community to rig its master plan and accompanying zoning ordinance to make sure it is almost impossible for a great segment of families to move into the community is to decide to have large lots and reduce its density.

A major question that naturally comes up at this point is, What do we (“we” meaning the country or the Bay Area as a whole) do with the rest? What do we do with the plain, homogenized milk, with the families making less than the \$9,000 to \$10,000 a year a family is required to make to buy a home in one of the many growing suburban communities that practice one-up-manship in large-lot zoning? Because of the heritage of local autonomy, there are those who are willing to espouse the administrative principle of authority, but who are unwilling to accept any responsibility for providing minimum-sized lots upon which homes can be built that the average wage earner can afford to buy.

The Federal Government has assumed, on the other hand, the responsibility of providing decent, safe, and sanitary shelter but presently has no authority in the affairs of local communities. This present situation would be bad enough. But now superimpose upon it a Federal activity that not only rewards suburban communities in the discriminating practice of “zoning out” the average-income buyer but gives the suburban communities advance planning money to assist them in drawing up their discriminatory general plans to do the job.

The Federal Government, through its 701¹ planning process, has no administrative requirement addressing itself to this “people problem”; in fact, I think it would be the exception if you could ever find the term “people” and the various economic levels of people referred to in any single master plan in the United States, much less in California or the Bay Area. A basic common sense goal that should be in every master plan, and should be a Federal requirement if a community is going to receive any Federal subsidy, is that it should provide shelter for various income levels.

¹ Originally a provision in the Housing Act of 1954 to give grant assistance to State and local governments in solving planning problems resulting from increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development; and to encourage such governments to establish and improve planning staffs.

What is the difference between a plan and wishful thinking? I think, by definition, a plan has to have a reasonable possibility of attainment. In order for a general plan of a local community to have a reasonable possibility of attainment, I think it should plan realistically so that the various levels of people working in that community are given a choice as to whether they want to live in the community. Presently, this is not the case. The Federal Government is rewarding the communities who are freezing out the little man by giving these communities open space grants, sewer grants, water grants, and grants for other capital facilities.

Federal Control through Planning-Aid Program

Now to the constructive suggestion. I would recommend that your Commission recommend to the President and Congress that there be administrative procedures that will not allow the Federal Government to finance a 701 master plan study which doesn't take into consideration people and one of their basic necessities—housing. Further, there should not only be administrative regulations requiring that people and their housing be considered in 701 studies, but a community that doesn't take constructive steps to address itself to this very basic problem should not be awarded subsidies at all.

Gentlemen, the problem of the central city is that it is suffocating. It needs some breathing room. And, unless some significant changes are made, the central city is going to become the residue of what's left after the suburban communities have drained off the economic cream, mainly through large-lot zoning, and thereby have effectively eliminated the free movement of moderate- and middle-income families, in terms of where they can live.

I am not suggesting here that every single community be quartered and hatch-marked—that every community have to have a certain percentage of this income group, and a certain percentage of that income group, and public housing. What I am saying is that the master plans of growing suburban communities have to be based on the premise that, within the general plans of the communities, there has to be a relationship between the availability of sites for middle- and modest-income dwellings to market demand in the various communities. I am not suggesting that the suburban community has to become the dumping ground for the poor and the average; but a rational, honest effort should be made by the local communities to accept their local responsibilities in making it possible to provide modest-priced shelter and not leave these responsibilities to someone else.

In conclusion, gentlemen, I think my presentation could be summed up in a gigantic cartoon. In this cartoon would be a \$1,000-a-month or above man who is mowing his lawn in his backyard, and he is mumbling and grumbling because the yard is larger than he really wants but it is the smallest the local community will allow. As he is crouched over his lawn mower, Uncle Sam is reaching over and

picking his back pocket to provide a housing subsidy for a middle-income family high-rise apartment in the central city made necessary because the large lot size made it impossible for the middle-income family to buy a home in the suburban community.

I realize the housing problems of America are not going to be solved by the FHA 203 (b) single-family home program¹; however, if the artificial, unnecessary restrictions of large-lot zoning were removed, more modest-priced housing could be built. Thus, this would make a substantial contribution to better the housing choice of millions of American families. Thank you.

MR. EHRENKRANTZ: Thank you, Mr. Leonard.

Additional Written Testimony by William T. Leonard

In addition to the previous statement, our Associated Home Builders of Greater Eastbay has a constructive proposal that I am submitting. It will, in our judgment, make a major incentive for the rehabilitation of single-family homes by their owners.

This proposal would provide an income tax incentive available to the owners of single-family homes for home improvement remodeling. It would allow the owner of an individual single-family home to deduct up to 20 percent of his adjusted gross income in any one year with a five-year carry-forward for expenditures in connection with remodeling and home improvement.

The proposal is not designed to cover the normal maintenance factor in homes such as payment of minor repairs, etc.; therefore, would increase the basis of the home for capital gains treatment.

Arguments in favor are these:

It provides an economic incentive for the home owner to improve his property. Thus. . .

1. Presently, the first person to congratulate a home owner on a major remodeling job is the local tax assessor. For example, in California a \$4,000 remodeling job can increase the assessed valuation \$1,000: with the tax rate upwards of \$10 per \$100 of valuation, this means the home owner is paying local property taxes of an additional \$100 per year forever. This incentive would encourage rather than discourage additional assessed valuations for local communities.

2. When an individual improves his home, it not only makes his own living better but it acts as a catalyst for the neighborhood and prevents deterioration and helps preserve the block, the neighborhood, and the community, thus requiring less urban renewal with accompanying subsidies in the future.

3. It provides a real stimulant to the economy. Any governmental income lost through this deduction would be compensated for by the additional wages generated and in the sale of building products.

Arguments against the proposal are that:

1. It would deprive the Federal Government of tax revenues and thus the tax burden would increase in other areas. (Answer: Economists agree that construction is the industry with the greatest multiplier effect, and this, therefore, would result in more taxes being collected, not less.)

A typical major remodeling job of \$8,000 would be broken down as follows:

Wages	\$4,000
Materials	\$2,400
Overhead, profit risk	\$1,600

2. This would provide an incentive for those making higher incomes more than it would for those at the lower end of the scale. (Answer: This would be true, but

¹ Under Title II—Mortgage Insurance, National Housing Act.

there are redevelopment programs for the lower income families; also, income tax deductions for charity, etc., are available and utilized by higher income families, who are taxed at higher tax rate.)

How this would act on various income levels is shown in the following three examples:

(1) A family with an income of \$7,000 and three children remodel their home, valued at \$12,000. The remodeling job costs \$4,000. Before remodeling, their Federal income tax would be \$501; after remodeling and with the proposed 20 percent deduction, their Federal income tax would be \$270, or a difference of \$231.

(2) A family with an income of \$9,000 and three children remodel their home, valued at \$20,000. The remodeling costs \$5,000. Before remodeling, their Federal income tax would be \$829; after remodeling, and with the proposed 20 percent deduction, their Federal income tax would be \$501, or a difference of \$328.

(3) A family with an income of \$12,000 and three children remodel their home, valued at \$25,000. The remodeling job costs \$8,000. Before remodeling, their Federal income tax would be \$1,380; after remodeling and with the proposed 20 percent deduction, their Federal income tax would be \$924, or a difference of \$456.¹

The third speaker this morning is Mr. Allan Temko.² He is presently director of a study of the industrialized environment for the Twentieth Century Fund of New York. Mr. Temko.

STATEMENT BY ALLAN TEMKO

MR. TEMKO: Mr. Chairman, Senator Douglas, and members of the Committee, it is a pleasure to welcome you here on behalf of the *San Francisco Chronicle*, which I serve as Architectural and Urban Critic. However, as I myself know only too painfully, I speak for myself only on these occasions; sometimes the editorial page and I have slight differences of opinion.

San Francisco is a city that you can understand very well in this building, which has been described as the most inward-looking building in the world on the most outgoing site in the world. Only San Francisco aristocrats could endow a building of this kind without windows. And you see in our quaint, and, I think, very charming, provincial elegance, the difference between our rather inbred, somewhat patrician city and Los Angeles, which you just visited. For example, when we have a race riot, we pride ourselves on the way we handle it. The mayor is properly apologetic, and everyone is rather pleased that it occurred, evidently. Still we had one, and it was a rather bad one, and this is not our only similarity with Los Angeles.

More than our ghettos in San Francisco, a city which incidentally is losing population rather severely, we have the ghettos of Oakland and Richmond and Vallejo. And I recommend to you that you go out there—especially Vallejo, where you can see an all-Negro subdivision in which Archie Moore, the fighter, was one of the promoters—and you will see what looks like a photographic negative of a white subdivision. All the people are black. But that is the only physical

¹ More detailed examples filed with the Commission.

² Lecturer in the Social Sciences, University of California, Berkeley. Writer, architectural and urban historian and critic.

difference. And I think you might well inquire how such a ghetto appeared far in the country, 25 miles from here, who financed it, how it was financed, and what it was that squeezed this development out so far from downtown Vallejo—which is another Watts.

Vallejo also happens to be a defense center. Historically it has been a Naval base. The role of the defense establishment in the West, and in California particularly, must be examined, for it is the chief factor of growth.

I know that John Dyckman spoke to you in Los Angeles. I don't know if he mentioned the paper he did with Richard Burton on the input of the defense industry on urbanization in Southern California. It is by far the chief input in rapid urban growth in our state.

Federally Subsidized Destruction

The most striking example of this in the North is Lockheed. Lockheed is the single largest employer in Santa Clara County. It employs 23,000 people, by last count. That's about one out of every eleven wage-earners in Santa Clara County.

When you ask: What has ruined Sunnyvale? What has ruined Saratoga? What has destroyed the orchards? What took that prime agricultural land? It is Lockheed.

Now I am not saying Lockheed shouldn't have gone there. I'm just saying that people of the United States built Lockheed. This was a Defense Department project and a Space Agency project, and there was no requirement put into this contract for regional development. The company made the locational decision with very little prodding from the Federal government beyond the fact that the new plant had to be decentralized from the Los Angeles coastal basin.

Now, why did Lockheed come there? Well, there are many reasons. One was the proximity of Stanford. One was the fine residential neighborhoods for Lockheed executives, the good residential neighborhoods for its less highly paid employees, and the general mood of the area.

But into Stanford the Federal government has put \$125 million for the linear accelerator alone. Stanford is no longer a good but secondary university; it is a world university of first order. It is one of the major scientific universities in the country.

And Palo Alto and its surrounding towns compose one of California's four great scientific communities. Twenty-five percent of the physicists and mathematicians in the United States are in four California communities: Berkeley, Palo Alto, Santa Monica, and Pasadena, which is something this Commission might think about. What brought them there? What complex environmental problems have their scientific and technological growth caused?

Well, when the linear accelerator went in on the Stanford campus as the largest machine in the history of the world—two miles long—it required more power, more electrical energy than the whole City of Palo Alto. This could have been foreseen. Nevertheless, it was not

foreseen in terms of even the power lines. Pacific Gas & Electric, which is private industry's contribution to bureaucratic intransigence, decided to run their power lines on pylons that had not changed design since 1900 through the fox-hunting town of Woodside. I was thrilled and delighted to see the local aristocracy confronted with this problem, for they would not have moved a finger if those power lines had gone through East Palo Alto, where the ghetto is, down by the bay. They did not move a finger when the power lines ruined the center of Foster City, the new so-called "planned community" development near the airport. Chekhov said everyone feels his own toothache, and rich people feel pain very keenly and they go to the dentist. In this case they sought relief in the courts. And they fought, and although they didn't get the power lines underground they got a much better solution! Very thin poles were designed, and the landscape is not scarred as it would have been if they had not fought PG&E.

Bernard Shaw remarked everyone would live the way the rich do if they only had money. Poor people cannot defend themselves this way, and it is up to the Federal government, the state government and local government to protect their environmental interests.

Now, how do they do this in a period of rapid growth, especially when we have other magnets other than a war base economy, to bring people to California? Amenities, for instance, are so powerful a magnet that Catherine Bauer once remarked there would be more people in Los Angeles if there were no smog. If we didn't have the Bay here, it would be just like Los Angeles; they would have built on it. And, in fact, there's a plan now—and this is something to which you might turn your attention—developed by a consortium of David Rockefeller, the Crocker Land Company, and Ideal Cement Company which proposes to fill something like 20,000 acres of the Bay. How do they propose to do this? These tidelands are near the airport. Because we have one of the biggest international airports in the world, a very busy one, they want to put new ancillary facilities for the airport. They want to simply chop down San Bruno Mountain, which the Crocker family happens to own, and run conveyor belts into the bay. Can they do this? This would be an interesting problem for the court.

In any case, the shock I felt at this expression of "stewardship"—I think that is the word that is used in connection with custody of great American fortunes—to calmly destroy this mountain in order to fill in the Bay, thereby spoiling two amenities in the name of growth, was a very severe shock. If this is the way David Rockefeller behaves, you can imagine the way other people behave in this lucrative land market.

We have to see the environment as a whole and perhaps only the Federal government can take a truly comprehensive overview in a state so large and complex as California, which has interacting dynamics not only with its neighboring states but the world at large. But if the environment can be seen as a single thing: people and

land, water, air and energy, movement of goods and people and messages, and above all, buildings—in this complex dynamic situation, then we would be getting somewhere. We must start studying our environment as an entity.

Now, it is not enough to say that we should have cities of optimum size. No one knows what the optimum size is—especially in our own society, which is still evolving rapidly. We do not even know what the best size would be for new towns, of which we have several under-way in California.

Edward Eichler has done a study of these so-called “planned communities,” our free enterprise version of Europe’s government-developed new towns. He found two publicly supported inputs which make these huge developments possible. The first is the freeway, which is 90 percent federally supported; the second is water.

Now Professor Paul Taylor¹ is here, and he knows much more than I do about the relationship of water to land in the West. The chief physical fact of the West is that it is a desert. Water is common wealth—or should be common wealth. That was the spirit of the Reclamation Act of 1902, the greatest planning instrument we ever had in this country. The State of California has circumvented that law—I believe illegally, because there is a mingling of state and Federal waters—in order to circumvent the 160-acre limit. Far from being an outmoded relic of an agrarian age, that law was far in advance of its time. The acreage limitation in itself means nothing. It could be as low as one acre on the Irvine Ranch, where urban land is now going for 30 and 40 thousand dollars an acre with this subsidized water.

Now this is something that you might well inquire into and make recommendations to the President and the Congress, because the urban populations of California are subsidizing these great outlying developments in hitherto rural areas. It is no accident, for example, that in the state water system—the system specifically designed to evade the discipline imposed upon the states by Federal law—one of the three southern termini debouches at the Newhall Ranch, a 44,000-acre ranch. I know that sounds large to you easterners, but we have many such parcels in the West. Land in rural California without water is worth \$100 an acre, or sometimes slightly more. In the San Joaquin Valley, for instance, nonirrigated land might well sell for \$100 an acre. With water it can be \$2,000 or higher.

When subsidized water is brought to parcels of 25,000 acres, this is an unconscionable enrichment of unearned increment for the large landowners who, in addition to other things, have oil and a few other things on their land, and are not always eager to employ union labor.

So I feel that this is the key thing for a Federal investigating group, to see the relation of water as well as the freeways—which also require massive Federal investment—to the land. This must be understood

¹See page 234.

even in this great agricultural state, which has plenty of good land for agriculture but nevertheless urgently requires protection, say, in the Napa Valley, where the vineyards are. You should hold a hearing there, and have a wine tasting at the same time. It would be a pity if that country were overrun by random sprawl.

Another big factor in urban expansion is uncoordinated industrial development by national corporations. We have to study carefully—and Professor Woodbury knows this much better than I—what the dynamics of industrial development are outside the defense industry.

The steel industry, for example, has been very selfish. At Fontana, in the south, the first big Kaiser plant was located just over the L.A. County line where there are easier air pollution restrictions, and I think this was a factor in the site location, which forced urban growth in a lovely orange-growing area.

What did Bethlehem Steel do at Point Pinole? The same thing, Senator Douglas, as they did at Indiana Dunes. They arrogantly denied the public interest and ruined what could have been a great waterside regional park close to the ghetto of Richmond, and close to the ghetto of Vallejo. Maybe a university should have gone there. Bethlehem Steel refused to listen.

Effects of Industrial Flight

But we have other developments that are much more complex, presenting problems which are not so clear. A good case I would recommend to you for study is the flight of automobile plants—the assembly plants, which are now growing very large here because of the local market—out of the older communities into low-density towns that were scarcely towns when the factories moved.

The flight of General Motors from Oakland was a catastrophe for Oakland. General Motors had the Chevrolet assembly plant in Oakland. They needed to expand because they wanted to assemble their full range of cars here, except Cadillacs. There was no way for the City of Oakland to assemble quickly and rapidly enough a parcel of land large enough for the operations of General Motors at this moment of expansion—at the moment when Oakland had so much blue collar labor that needed employment in places like G.M. So G.M. went all the way south to Fremont, where they had all the land they wanted. I believe this corporation might well have stayed in Oakland had the city been in a position to give them the land they needed, not only for their present expanded operations but for future needs. It was not an enormous amount of land; it was about 500 acres. But it was big for Oakland—and it would have been an impossible land order to fill in San Francisco.

At the same time, Ford moved from Richmond—which certainly could have used Ford—all the way to Milpitas—south of Fremont. From a helicopter the effect of these industrial movements is very clear. You see the two big automobile plants in largely open country, and you see in the morning on the freeways blue collar workers

commuting down to Fremont and Milpitas. Although the United Auto Workers did build a low-income subdivision at Milpitas—bad architecturally but good socially—U.A.W. built nothing in Fremont, and it is an all-white community. And there is another problem.

The wives of the Negro automobile workers frequently have second jobs as domestic workers. They can come from Oakland, say, to Piedmont, an upper-class enclave where the wealthy people of Oakland evade their municipal responsibilities. But these women cannot find comparable jobs in Fremont, because the people there have modest incomes, and don't need anyone to help them tend house.

Thus the suburbs are far from being entirely middle-class as they were once supposed to be. Bennett Berger, sociologist at the University of California, wrote *Working Class Suburb*¹ about Milpitas; and it is well worth looking at that classic industrial suburb. Indeed, it is worth looking at all of industrialized Santa Clara County, where they had sound planning theory, where they had the most honest and forthright and brave planner perhaps in the United States—Karl Belser—who told the county what to do, who advocated greenbelting, who succeeded in getting a few parcels saved, who kept some agricultural land, but who saw the whole thing overrun before his eyes. And so where 200,000 people lived in 1945, there are now a million living in a small Los Angeles. The smog is as bad as in Los Angeles. This is the tragedy: with all the wealth, with IBM there, with Lockheed there, with so many of our great corporations installed there in new plants, we couldn't somehow shape that community in a rational way.

Thank you.

MR. EHRENKRANTZ: Thank you very much, Mr. Temko. We will now have questions by the Commission members. Then for the remaining time we will throw the session open to comments from the floor. We will begin with Mr. Johnson.

QUESTIONS BY COMMISSION MEMBERS

MR. JOHNSON: *Thank you. I would like to ask Mr. Wood to comment a little further on something he said—that beauty should be a great part of the responsibility of government. I think that is true, too—as long as I am able to define what beauty is—and I think most people feel the same way. But we also must define it in context for evaluation. Would you comment on this? We have seen that this has become a very subjective thing, that what is beautiful varies with the person you are talking to.*

MR. WOOD: Yes, I think this is true, but it shouldn't deter the Urban Renewal Administration, for example, or the Federal Housing Administration, in all of their plans, from insisting that federally aided programs—and all of our growth problems are federally back-

¹ Bennett Berger, *Working Class Suburb* (California University Institute of Industrial Relations Publications: University of California Press, 1960).

stopped one way or the other—carry provision for adequate open space, for that amenity. I don't think that they are going to stand around asking what it means.

I think there are people like Allan Temko, for example, and members of your Commission, who recognize amenity in a community, a little green, a few fountains, adequate regional parks. These are the things I am talking about. I am not advocating any specific type of art expression at all. I think the communities have to be built to human scale, and the architecture has to be decent and livable because communities are built for human beings.

And if you move down the peninsula—as I hope you do before you leave here—you will see that much of the growth taking place in this Bay Area, especially in Santa Clara County, is not that type of growth.

MR. JOHNSON: *Then ultimately there has to be someone to say this is beauty and this is not?*

MR. WOOD: There are in a number of communities in California and throughout the United States what are called architectural advisory boards of one kind and another, and there is architectural control in a number of our middle-class ghettos of California, incorporated cities. They protect themselves from other types of growth simply by incorporation, but they do have types of control over what takes place in the community, what sort of building is done. One of the oldest devices in the sale of land is the provision for architectural control, if you are just talking about architecture. I'm talking about the whole ball of wax.

MR. JOHNSON: *Well, the question of beauty is a very complex one. How is beauty defined in everything you are saying?*

MR. WOOD: I think Allan Temko can do a better job with that question than I can.

MR. JOHNSON: *Can you tell me, Mr. Temko?*

MR. TEMKO: Well, a point apart from that, we have been much more successful in this part of the world preventing bad things than doing good things. It is relatively easy to stop a freeway if you have a big metropolitan newspaper that doesn't want it to go ahead, and a lot of other people. It is very much more difficult to design a freeway properly so it won't destroy amenity. This we have not been able to do yet in the City of San Francisco.

There is such a study in Baltimore now, incidentally—do you know of that one?—that is going to study the freeway net of metropolitan Baltimore as a community building instrument with attention not only to amenities but to not inflicting social wounds, say, dividing neighborhoods.

I pleaded with Governor Brown at one time when I supposed I could get a hearing in Sacramento to establish a review board of design for all large public works in the State of California. This came after a tremendous fight over the design of a bridge south of the airport in which we changed the design of the bridge—the Bridge Commission did—and it is now an *avant garde* bridge, a very lovely bridge. And I said to Governor Brown, "Why not prevent these fights every

time? These are fights dealing with growth, quality of growth, the architectural quality of growth." He said, "I thought you were against bureaucracy. You just want to create another commission."

MR. JOHNSON: *Thank you very much. I appreciate your comment on that.*

Mr. Leonard, with respect to the 701 planning money that goes into local efforts in the smaller communities, I agree with you. But which comes first, the policy or the planning? In other words, you can say that the community could sign a pledge to do all of the good things, and so forth. But the money is being spent all this time and the Federal police power is used up as the community advances with the program. Then, too, I can imagine that trying to enact legislation that would in effect establish the proper balance would be very difficult. So you are left only with the pledge to do all of the good things. This, too, varies with the beholder, in a sense. It varies with the person involved, and the community involved. Would you care to comment?

MR. LEONARD: Yes, I think while it is difficult, I think that our major approach here is one of philosophy; that is, when you get a growing suburban community that has many acres zoned for industry, and you approach them as to where the workers are going to live, they say, "The heck with them, let them live in the central city and commute." This is one thing. To attempt to project the housing needs for a community, a housing element in a master plan, is a very difficult and challenging aspect. Yet at the present time absolutely no thought, no requirement, is given in the vast majority of the plans. We just got passed by the State Senate a bill that makes planning for people mandatory rather than optional in the California State Planning Act. Now this is not going to immediately solve problems, but it is going to require the community to put on notice that they are going to have to take people into consideration in planning. We're going to say: "Just because it is difficult, let's don't forget about it."

The other point of your question related to controls through 701 grants. I think it can be done this way: the administrative requirements themselves should say that you have to make an economic projection of your community in terms of people and relate these to the possible housing sites available in the community, and relate your industrial land and the people and your services that would be generated, and then relate these back to economic levels. I think this could be done, and it would be very meaningful.

I would like to comment, because I had the privilege of being involved in probably the only subdivision in California that has been approved, first of all, by an architectural control committee set up by a redevelopment agency. This was in Marin County. It was a redevelopment project—low-cost housing. It was one that did not scar the hillsides—it was built to suit the hills—and the area was not covered by streets but streets were just wide enough to serve the traffic. Five of the most outstanding architects in Marin County agreed to sit as a

panel when they reviewed the developer's plans for providing the solution. In his solution he used post telephone poles, treated structures, to fit the houses to the hillside rather than scarring them. His very efficient subcontractor had put down, I think, 164 telephone poles in one day. From the freeway these poles, without being straightened out and cut off to proper height, were a shock to the community. The community went up in arms. The subdivision and the builder's plans were delayed for six months while the project went through a county architectural review board which disagreed with the redevelopment agency's review board. The matter ended up before the grand jury on the esthetics, quality, and durability.

The point has been made that beauty is subjective and I think everyone can agree that a belching smokestack is not pleasing, but when it comes to deciding whether the facade of an individual structure is pleasing or not, this sometimes is in the eyes of the beholder.

MR. JOHNSON: *That isn't even clear-cut because in places in Pennsylvania the belching of the smokestack is beautiful to the people who need the work, and for whom it is a sign of prosperity.*

MR. LEONARD: That's correct.

MR. EHRENKRANTZ: I think we must move on. Mrs. Smith.

Program Coordination: How to Accomplish

MRS. SMITH: *I would like to put this same question to all three speakers, because they all say it in different ways. They look towards Washington as kind of an organizing mecca. Mr. Temko said that only the Federal government can take the overview of this. The others said similar things, calling for single-purpose programs with single-purpose policy-making powers. Yet the Federal government at present has no authority in the affairs of a local community. As we go on with these hearings and hear constantly about the need for Federal policy, I—perhaps because I live rather close to it—wonder if you have thought beyond. Many people end up with your overview thinking. How can the Federal policies be brought together? How do you coordinate 40, 80, 70 programs?*

MR. WOOD: Do you want me to start?

MRS. SMITH: Surely.

MR. WOOD: I have furnished all of you with a copy of *Cry California*,¹ the journal of California Tomorrow, which features "The Federal Threats to the California Landscape." This study tells, in a brief story sort of way, what we think the Federal Government's policy and program should be and how they might be coordinated. I feel that some very important steps have already been taken. The Federal agencies involved with growth have been pretty well consolidated into HUD. But it takes a little while for them to settle down in this new harness.

MRS. SMITH: *Just this morning we mentioned the Corps of En-*

¹ Vol. II, No. 2, Spring 1967.

gineers, we mentioned the Defense programs, industry decisions, and I don't think even HUD—

MR. WOOD: HUD can't handle all of these, no. But it can start defending the people of the United States against the other single-purpose Federal agencies like the Corps of Engineers, the Bureau of Public Roads, and so on. Somebody has to start defending the people who live in the cities, and it is perfectly possible to, if you have a spokesman. I know that there are spokesmen in the Senate and in the House busy on this thing, but we need an authorized agency that is going to stand there and shake its fist in the nose of the other agencies. But I think that we ought to direct the major attention to the metropolitan area, because if the Federal programs are tied into metropolitan organization and administration and they deal with a metropolitan government—I mean, a real jurisdiction with elected representatives—then the small communities, or at least the single cities and counties in the metropolitan area, will have to consider the total needs of the total metropolitan area—which they don't now. For that matter, neither do the Federal programs consider the total needs of the metropolitan area.

Urban renewal in San Francisco, for example, has driven people down the peninsula out of housing that wasn't quite as bad into very bad ghettos in other parts of the Bay Area, and across the bay into Oakland. This is not the way the program ought to function. Yet it is functioning in an irresponsible, uncoordinated way at this time.

MRS. SMITH: *Mr. Leonard?*

MR. LEONARD: The current requirement of HUD that, for any Federal subsidy program involving any HUD agencies, a city must go through the regional planning agency (if there is one), I think is a valid first point. In the Bay Area we have such a planning commission. I really haven't reviewed in my own mind the full consequences of Mr. Wood's bringing out the myriad of Federal agencies involved; so I won't comment on that, other than that I think channeling through the regional planning agency and looking at the total metropolitan area as a whole and reviewing each one of HUD's separate programs are a good start.

MR. WOOD: Could I make a short comment?

You have the Federal government encouraging these voluntary federations of government in the metropolitan areas, authorized under present law. Well, I think this is a waste of time. I think that if a voluntary government didn't work now, when we had the confederation, it isn't going to work, irrespective of how the Federal government tries to deal with it. It is still going to have to deal with the nine counties and some 80 units of government in the Bay Area, and God only knows how many special districts—two or three hundred special districts. So this is stupid; it is a waste of time. Yet our Congress wrote this authorization into law and HUD is functioning under the false idea that they have something, whereas they don't. All they have is an amorphous conglomerate in which any unit can cancel out the whole program. So planning without administration is silly.

MR. TEMKO: I have been working in my research for Twentieth Century Fund on feasible strategies at the Federal level. I believe the Executive branch can have a much more creative role. I am not one of the admirers of HUD, and I don't think that the present improvised organization out of HHFA, with their arbitrary regulations, is a satisfactory instrument, and I don't think it ever can be. [HHFA was the Housing and Home Finance Agency, the predecessor of the Department of Housing and Urban Development.]

We have a National Security Council. We do not have a "national environmental council." I have been studying various ways this could be put together, what Cabinet officers might be represented, how the President might act through such a council. But it should be a human and physical resources council whose job would be to formulate long-range strategies for the nation.

I will give you an example of such a strategy. I happened to be in Seattle when the Dynasoar contract was canceled at Boeing. There was no joy in Mudville that night. There were 6,000 jobs involved. The Boeing plants were vacant. They could have produced anything from baby carriages to scooters; these beautiful plants, with their 250- and 280-foot spans, could have produced anything that our society needs. And they went vacant. Now the cancellation of this contract was well known in advance at very high levels of the Government. It was not really known to people responsible for Greater Seattle until it occurred. They kept fighting to have this foolish Dynasoar weapon perpetuated.

Now, what could have been done with the Boeing plants, this waste of national wealth? At this level I think that a national environmental council could do a great deal to help.

I mentioned DOD and NASA not only because they represent such a large portion of our national economy today, but also because they are feasible instruments for entering the problem of urban growth. If you affect only 10 percent of growth, you will have a way of entering the problem. I think the cases of the Lockheed plants at Marietta, Georgia, and Sunnyvale, California, are good examples of that. They could all have been done much better.

We also need a comprehensive Federal land policy. In California we are keenly conscious of the value, and the quite considerable extent, of the holdings of the Federal government, particularly of the military, within metropolitan areas. For example, in reclaiming the shoreline of San Francisco Bay—something that we ought to do—we have to consider the Federal lands. On the north side of the Golden Gate, there are three forts that are 19th century harbor defenses. They have been offered at an unusually reasonable price to the State, and I think the State will acquire them. Nevertheless, there is much more land. The Navy, for example, has Treasure Island in the center of the bay. All of the Navy activities conducted there could be moved to a less valuable site. They don't have to be on a prime piece of recreational land in San Francisco Bay. For a time the Navy had a firefighting school there. They poured gasoline and oil into mock-ups of ship

compartments, and set them afire, thereby polluting the air of the whole region for a day or two, and then the crews would put the fire out. That didn't have to be done in the center of San Francisco Bay. There needs to be someone who tells the admirals "You can't do it."

In certain cases military ownership is highly desirable for the present. For example, the Army owns the Presidio here, which the City of San Francisco wanted to give as a site to the U.N. (And how much calmer the U.N. might have been if it had that site rather than being housed in Manhattan; but it would have been facing Asia, a very dangerous thing, in the opinion of the State Department.) So I think we are fortunate that the Army owns the Presidio, and until we have the maturity, the social responsibility, to deal properly with such a priceless piece of land it had best remain in Army hands.

MR. DOUGLAS: *Mr. Wood, you used a word which was unfamiliar to me. Perhaps it is familiar to others. But I'd like to get it defined before it enters the Webster dictionary. How would you define "slurb"?*

MR. WOOD: Mr. Alfred Heller and I invented that word when we were trying to describe the sort of uncontrolled growth taking place in California. We combined urban and slum to get slurb. It simply stands for our sloppy, sleazy, slovenly sort of cities.

MR. DOUGLAS: *Would you describe it as a form of topography cancer?*

MR. WOOD: Right. Right. That's a good idea.

MR. DOUGLAS: *Mr. Leonard, I was greatly interested in your statement, and tremendously encouraged by a conversation we had in which you said you would furnish us with the lot requirements of the various suburbs around San Francisco. This will be a tremendous contribution. Pending this report, do you know of any localities which have five-acre zoning requirements in the San Francisco region?*

MR. LEONARD: Generally, no, Senator.

MR. DOUGLAS: *Do you know any that have a four-acre requirement?*

MR. LEONARD: No.

MR. DOUGLAS: *Three-acre requirement?*

MR. LEONARD: No.

MR. DOUGLAS: *Two-acre requirement?*

MR. LEONARD: There are some zones now that have a five-acre requirement. But this is a suburban estate that includes horses as well as people, and it is not the minimum in the particular area but is a specific estate-size minimum.

MR. DOUGLAS: *Where would these be located?*

MR. LEONARD: The suburban areas of unincorporated Alameda County; for example, there is a five-acre zone.

MR. DOUGLAS: *Up in the hills?*

MR. LEONARD: Generally it would be in rolling country or hills but not necessarily all of it.

MR. DOUGLAS: *Do you know of any requirement of one acre?*

MR. LEONARD: Yes.

MR. DOUGLAS: *Would you name it?*

MR. LEONARD: Suburban Contra Costa County.

MR. DOUGLAS: *Is that where Sausalito is?*

MR. LEONARD: No, Senator, Sausalito is in Marin County. But I think in Marin County there is also a one-acre minimum.

MR. DOUGLAS: *Where is Contra Costa County?*

MR. LEONARD: Directly across the Bay, the Eastbay. It lies along the coast of the Bay itself, and along the Sacramento River, and is north of Alameda County.

MR. DOUGLAS: *What are the requirements in Livermore?*

MR. LEONARD: The City of Livermore is just going through an extensive hearing and they have raised their minimum lot size to an average of about 8,000 square feet and a minimum of 7,500 square feet.

MR. DOUGLAS: *Raised it?*

MR. LEONARD: Yes, Senator.

MR. DOUGLAS: *What about Palo Alto?*

MR. LEONARD: I am not familiar with Palo Alto per se.

Senator, could I comment for a minute on the distinction between what may just look like a few feet? You go from a 6,000-foot lot to a 7,500 square foot lot and you jump the cost by about \$2,000. In the Bay Area about the cheapest price new home—and it is pretty far out—right now is about \$15,900, almost \$16,000.

MR. DOUGLAS: *An acre?*

MR. LEONARD: No. This is for a finished house, one that is new, modest, and about the most modest price.

MR. DOUGLAS: *What would the land cost be of 6,500 and 7,500 square feet?*

MR. LEONARD: You have two points: One is the finished lot cost—and it is the all important cost. It jumps between \$6,000 and \$7,500 by about \$1,200 to \$2,000, depending upon the requirements.

MR. DOUGLAS: *How many extra square feet?*

MR. LEONARD: It is not necessarily the extra square feet. The front-age costs about \$39 to \$40 a front foot to develop; so that the improvement cost in many instances is as important a factor.

MR. DOUGLAS: *I am speaking of undeveloped land.*

MR. LEONARD: For undeveloped land, where you are speaking of \$16,000 minimum houses, the cost is perhaps \$3,500 to \$5,000 an acre.

MR. DOUGLAS: *How many square feet would that be? How much an acre?*

MR. LEONARD: \$3,500 to \$4,000 an acre.

MR. DOUGLAS: *That is a relatively low cost.*

MR. LEONARD: Yes. It is relatively far out in the Bay Area complex. If you jump the price from \$15,000—just raise the price \$500 in the Bay Area, from \$15,000 to \$15,500—40,000 families can't qualify for the \$15,000.

MR. DOUGLAS: *On your earlier points: When Livermore increased the minimum size of lots, that was from 6,500 square feet to 7,500 square feet?*

MR. LEONARD: Yes.

MR. DOUGLAS: *That addition of 1,000 square feet—what would be the additional cost of that?*

MR. LEONARD: *About \$1,500 to \$2,000.*

MR. DOUGLAS: *And this would involve what proportion of the families priced out of the area?*

MR. LEONARD: *Well, of the percentage size, I am not sure, Senator, but a very substantial portion, because the income figures in the middle range are certainly the largest.*

MR. DOUGLAS: *I had always understood that the average intelligence quotient of people in Livermore is probably the highest in the country.*

MR. LEONARD: *I think, Senator, they have more Ph.D.'s.*

MR. DOUGLAS: *They're nuclear scientists and mathematicians, who have the greatest abstract intelligence, so they say, of any group in the Nation. You don't deny the high average intelligence of the people in Livermore, do you?*

MR. LEONARD: *No, sir. Certainly not.*

MR. DOUGLAS: *Well, how do you account for this fact: Here are extraordinarily able people barring a large proportion of population from living there. How do you account for this fact in this highly intelligent group?*

I suppose that the City Council of Palo Alto permitted the estates to have high land requirements inside the city. Palo Alto is next to Livermore and, of course, Berkeley, in the high intelligence of its residents. How do you account for this behavior by intelligent people?

MR. LEONARD: *Senator, in my statement I said that many growing suburban communities—including those with many Ph.D.'s as well as without Ph.D.'s—if they had their "druthers," want cream.*

MR. DOUGLAS: *This is true of the great intellects as well as of the average people?*

MR. LEONARD: *Yes, I think so.*

MR. DOUGLAS: *And yet you are appealing to the average American in Washington, far off from California, to save California from the acts of its highly intelligent residents? You expect people with only 100 I.Q.'s—I assume that that is the actual average—to save the people with the 240 I.Q.'s from their own choices? I would say, "Physician, heal thyself."*

Now I will tell you a little moral. As you know, there has been competition for nuclear reactors in a number of cities. We had two of them, one a community by the name of Barrington, which is in the fox-hunting country outside of Chicago (we have a few fox hunters) and they have a five-acre lot requirement. They opposed the coming of this nuclear facility because they said it would bring an inferior type of person into the community; namely, the nuclear scientists, who would lower the social level of the area. In other words, they barred the nuclear scientists because they thought they were inferior. The nuclear scientists bar the clerks. The clerks bar the manual workers. The manual workers bar the unemployed—the Negroes.

Where do we come off? And yet you expect the average man in Washington to save you from your high power intellects?

Mr. Temko, you now made this impassioned appeal. What are the lot restrictions in Berkeley?

MR. TEMKO: In Berkeley, they are relatively small, and there are many modest houses, let me put that in.

MR. O DOUGLAS: *No. I ask: What are the lot restrictions in Berkeley?*

MR. TEMKO: 5,000 square feet.

MR. DOUGLAS: *That's not bad.*

MR. TEMKO: I would say that the trouble with Livermore is that there are a lot of people who work there who come home at night and sleep in Berkeley. With our system of freeways, many people who work in Livermore actually don't live there.

Berkeley, I would say, is a good example of an urban community which is integrating its schools, which is deeply concerned about the interacting dynamics of residential location, and it actually has no more open land. So we don't have the same problem.

MR. DOUGLAS: *And may I ask who opposes the City Council of Livermore?*

MR. LEONARD: Senator, there are a total of five members on the City Council and I think three of them are either employed by the Lawrence Radiation Laboratory or one of the other industries closely related.

MR. DOUGLAS: *In other words, the nuclear scientists constitute a majority of the board?*

MR. LEONARD: Yes, sir.

MR. DOUGLAS: *And they put into effect this increase in minimum lot size?*

MR. LEONARD: That's correct.

MR. DOUGLAS: *I think we should get their names and send a copy of this testimony to them and ask to have it published in the Livermore paper.*

Thank you very much.

MR. O'NEILL: *Before I ask the questions, Senator Douglas, I would like to point out that I am not a scientist. But in defense of the scientific community, those who want to live in Livermore don't like poor people, but the people who do live in Berkeley want to do something about them. So I wouldn't say it is the scientists. I would say it is the people.*

Mr. Wood, how can we get both the political mandate and political guts of the state legislatures to lift or rescind certain local powers to accomplish what you suggest must be done? How would the assemblymen in Sacramento get away with a movement like that?

MR. WOOD: What our legislators have been doing, I think, is to bow to this myth of grass-roots, home-rule democracy, which is a bunch of nonsense, because small units can't solve area-wide problems. What is done is to permit people who are making money out of the decision, the city council, the planning commission people, the board of supervisors and so on, to control the land use. What we have

to do, I think, is at the Federal level, because the state people are directly involved, too—you would hardly expect the State of California to adopt strong pesticide legislation, for example, when the largest industry in California depends on it. So we have to look to the Federal government to give us direction. We have to look to the Federal government to condition its grants, its freeway construction program money—all of the aid money that underwrites and supports uncontrolled growth in California at this time—on decent growth and decent governmental organization.

I would like to comment a second on the Senator's question and some of the answers of the panel. I don't think that you are going to get a balance, sir, of housing in any single community—at least in areas like we have here in the San Francisco Bay. But you can get a balance if you take the total metropolitan area. Now the people who work in Livermore and live in Berkeley have found housing they can afford in Berkeley. We have all sorts of middle-class and upper-class—economically speaking and intellectually speaking, too, I suppose—enclaves or ghettos around the area—here and in California generally. So you ought to tie them down under the same governmental umbrella, and make the state set up this umbrella or simply don't underwrite any more mortgages.

MR. O'NEILL: *Another question for Mr. Wood. Do you believe that the general constituency of the voting public dislikes "slurbs" and sprawl or do you think they even care about it?*

MR. WOOD: The general voting public doesn't care about any of these issues. We know that. We just don't answer that question. What we do—what we have to do—is convince the leaders in the communities that this is good policy, and that people will vote for them if they support decent freeways, if they support regional parks, if they are concerned with good, sound types of urban growth—whatever that is. And Allan says that we don't know what it is, and I am sure I am not going to try to define it, but I think you can observe it. We just took 46 people to Europe on a three-week trip to the metropolitan areas to find out how they are handling the problem of growth. There isn't a nation that we visited—and we visited the major metropolitan areas—where uncontrolled growth is permitted, where a man can do with his land what he wishes, what in California most of the people claim they have the right to do—that it is their land and the right is granted constitutionally to them to do what they please with it. They don't permit that in Europe. And we are permitting it in this country.

MR. O'NEILL: *Bill Leonard: If we could get this people element into master plans, how would the master plan effectuate the creation of housing for low-income or moderate-income families? In other words, would the master plan have both administrative and executive powers to assemble land, let's say, and write down its cost of assembly?*

MR. LEONARD: I would go so far as to say that obviously in the next 20 years we are going to have a certain percent of families that are

going to need some form of housing subsidy. How it can best be handled would be a part of the ultimate of this concept, part of the finished product. But I think the biggest item would be to relieve the artificial minimum and allow private enterprise to meet the growing moderate-income market that needs and wants housing and can afford a certain level. So I think that by removing the artificial restriction you let the marketplace determine to some degree how much of this would be built.

MR. O'NEILL: *Just one last thing, and this is not really a question. I wish that every American city had as astute an urban critic as Allan Temko; but unfortunately they don't. But I would like to say, in defense of other American cities, that if it were not for your beautiful waters and your bay and your hills, and if San Francisco were flat, it would be as humdrum architecturally as Indianapolis.*

MR. DOUGLAS: *Someone once said that no set of people took so much credit for what the Lord had done for them as the people on the Pacific Coast.*

MR. WOODBURY: *Well, all three of you gentlemen, in your excellent opening statements, call for larger units of government, area-wide, regional, state or Federal, for help.*

The question that keeps coming back to my mind is whether or not those geographically larger units of government can be expected to do very much more than the local units unless they have the kind of public understanding and support that the local governments obviously lack in this matter.

My question is, is that a fair assumption? And if it is, how are we going to build that kind of support among the constituents of these larger governmental units?

I'd like to emphasize that this Commission has seen instances of the social policies inaugurated by the Federal Government. We have also seen recent examples where the Federal Government has taken a position—by legislative action or by executive order of an agency or department—only to see that position very shortly begin to be whittled away because there is a lack of support throughout the country.

Are there any devices, any machinery, any strategies that the Commission ought to be considering that would make some headway in this matter.

MR. TEMKO: *Well, I will start. Yes, I think we have precedents and machinery that could be used much more creatively. I am not an advocate of wholesale metropolitan government.*

New York City has had metropolitan government for a long time, and is a very malgoverned city, but still is only a portion of the whole 22-county Regional Plan Association territory. But, then, the Tri-state Transportation study says that isn't a big enough unit; you need 9,000 square miles rather than the 6,000 with which the Regional Plan Association deals. Those huge areas, of course, merge with New Jersey and Connecticut.

However, for regional government, as far as physical development is concerned, even though I'm not sure that the river basin is still a

desirable planning unit, the Delaware River Basin compact shows, in my opinion, a good approach to this problem, and warrants studies for broader application of its powers which have to do with anything concerned with water. But that includes housing, recreation, industrial development—in fact every conceivable aspect of urban growth. I think this approach could be used much more broadly. In fact, during the East Coast water crisis the Delaware River Basin Authority acted much more creatively and responsibly than New York City itself.

Now, on a smaller level—metropolitan rather than regional—we have the example here of BART, the Bay Area Rapid Transit District. Although it will be in many ways an improvement, it will also be far inferior to what we were led to expect. Financially, it is in trouble. It has now had an overrun of \$150 million on capital investment of \$930 million. That's a pretty high overrun. And it has been very malmanaged. Now, that's a three-county system. Future systems, I believe, will be built with Federal aid, an ever-increasing amount of Federal aid. One thing you might do is study BART as a needlessly weak instrument of metropolitan growth. It's going to have a tremendous impact on these outlying areas that it is going to serve. But it was never conceived as a community building instrument.

If you are going to have these regional jurisdictions they have to be conceived on a much broader conceptual plan.

MR. WOOD: I agree with Mr. Temko on the BART example. It's a single-purpose agency, and it's only one of a great number of single-purpose transportation agencies of one kind or another that are messing up the Bay Area. And the reason they're doing it is that they don't report to an overall general-purpose government. They deal with a whole group of governments. This is true of the Division of Highways. They deal individually with the other major destroyers of the amenities of the Bay, some 75 or 80 municipalities in nine counties of the Bay Area. But if they had to deal with a general-purpose government that handles the area-wide problems of the Bay, which you can recognize—such as transportation, recreation, open-land space requirements, and air and water pollution—if we had a general-purpose government that picked up the responsibility for these specific problems that are area-wide, then I think that we could begin to solve the basic environmental problems in this community.

I have to admit that every problem area needs a different-sized jurisdiction. It's nice to have those regions that are determined by geography, like a river basin or the drainage basin of the Bay Area; but there are others that are more difficult to define. So you have to get the area that embraces most of the problems that are area-wide in nature when you establish your regions. And we have done this in lots of cases at the Federal level. Most of them single-purpose, that's true. But now we need to look at the total area and encourage the creation of a general-purpose government.

MR. WOODBURY: *I can see from your point of view that an official general-purpose metropolitan regional government makes sense, of*

course; that if they've got the area scope, they can figure out much more intelligently what ought to be done about these various types of public services and other activities. But I still don't see where the support for that government for these kinds of policies is going to come from.

MR. LEONARD: In the growing suburban community right now there is no specific requirement other than a general plan. But the plan may lack the planning for people, as I pointed out. But if a community once accepts a Federal subsidy, then it has to accept some general responsibility for things beyond their own individual wishes. And I think this is the starting point. This is a very valid as well as politically feasible doctrine—that if a community wants open-space grants it has to agree first to accommodate a full spectrum of people of various economic levels. If they want an open-space grant, certain requirements must be met. The requirements can include many of the environmental aspects that the panel members have referred to.

Encouragement for Metropolitan Government

MR. DEGROVE: *Mr. Wood, do I take it, then, that you are specifically proposing the creation of some kind of metropolitan government that would encompass the nine counties, 80 cities, and 200 or 300 special districts that now exist in the San Francisco area?*

MR. WOOD: That's correct.

MR. DEGROVE: *I'm following up on Professor Woodbury's statements. Do you see any significant amount of support for this within what I will call loosely the San Francisco area power structure?*

MR. WOOD: Yes. The support has increased markedly over the last ten years, but primarily over the last four or five. We have had some problems that cannot obviously be handled by each local government. So we are working now through — what is the title?—

MR. TEMKO: Bay Conservation and Development Commission.

MR. WOOD: —to prepare a format for the Legislature to create an agency that will handle these problems. It will be an administrative as well as a planning agency. And not only that, but the voluntary association of governments called ABAG that was encouraged by Uncle Sam is beginning to recognize that it has, somehow, to change to something that is positive and has some power. Otherwise it will go out of business.

So there is hope. But there is one thing I think we have to make clear. We have to establish the regions by the state. The state has to set these regions up, because, Professor Woodbury, until you get a constituency you cannot poll a region-wide constituency. No one is going to pose these area-wide problems in a meaningful way. No one has a chance. The problems aren't even brought up except by the people who have a smaller constituency. You see, they can't run for office out of the City of Berkeley on a platform proposing, let us say, an air-pollution control district for the total Bay Area.

MR. DEGROVE: *Are you saying, really, Mr. Wood, the initial crea-*

tion of this government has to be by the state? Then you would let the constituency form from that? Otherwise it will be a kind of chicken-and-egg proposition?

MR. WOOD: Right. This is precisely what I say. For years we political scientists have been talking of the need for regional governments, and that people ought to create them. Until you create the region from which you can elect your general-purpose government, you cannot have a regional government.

MR. DEGROVE: *So you're really looking for new levels of responsibility from the state?*

MR. WOOD: Right.

MR. DEGROVE: *Do you share the Committee for Economic Development study's conclusion that if we wait for local governments to do this voluntarily it will never happen?*

MR. WOOD: I certainly do. I really do. I don't know of any political jurisdiction or any group of political officers that have committed suicide.

MR. DEGROVE: *On a different subject now. This wasn't a main subject of your testimony exactly, but among the people we are going to be talking to, you are the logical one to answer this: Is there any appreciable amount of low-cost housing being constructed in the San Francisco Area, either public housing or 221 (d) (3) or similar programs?*

MR. LEONARD: I think that this low-cost housing is a misnomer. You can't take expensive labor and expensive materials and come up with anything cheap.

MR. DEGROVE: *I apologize for using the word. I mean housing that low-income people can afford to buy.*

MR. LEONARD: There is some modest-cost housing being built in the Bay Area; 221 (d) (3) has been used to some extent. In California we have the constitutional requirement of a local community voting on whether the community is going to help with housing or not. So we do not have the quantity of public housing that many other areas do. But we do have an Attorney General's ruling that a local referendum is not required for leasing housing¹ for use as public housing. And we have public housing units through the leasing of existing dwellings that has been going like a house afire in the last six or seven months. This is accomplishing a very worthwhile good. I think everyone, from the tenants to the housing authority, to the private real estate agent industry and the building industry, is happy with this leasing program.

The cost factors in developing housing are very numerous and very complex. A typical subdivision at the lower end of the private building scale is being built today for about \$7.50 a square foot, which is a pretty efficient operation. It's being sold—when you add the cost of land and improvements—for about \$15 or \$16 a foot.

¹See page 142 for footnote reference explaining Sec. 23 Leased Housing Program.

I think conservatively, that California could produce 20,000 additional single-housing units if this housing development was made a requirement of the local community.

MR. EHRENKRANTZ: We will move on to Mr. Vandergriff.

MR. VANDERGRIF: *Thank you very much.*

I must say as a former student of the University of California long ago and a worshiper of California from afar, ever since that time some of my illusions have been shattered a bit here this morning. One of them was about ABAG. We in other sections of the country have been led to believe that this is a perfect example of voluntary cooperation on the part of governmental units. And parts of this approach to regional government—I believe Mr. Wood made reference to this—have been encouraged by the Federal Government. Yet, Mr. Wood, I believe you felt such activities were a waste of time, an exercise in futility, or words to that effect. Would you comment on this?

MR. WOOD: Well, I think the section of the Housing Act that permits, calls for, or encourages the furnishing of money or subsidies for these so-called voluntary associations of local government gives the clue. There is no such thing as a voluntary government. It's a misnomer. When you lay out a policy, let us say an areawide policy, and yet permit voluntary acquiescence to the policy, you're defeating the purpose of the whole thing. This is what the Congress did at the urging of the Federal HUD people. I think it was a great error.

MR. VANDERGRIF: *But let us look at it from a practical politician's standpoint—and I must confess that that is my reason for being here: In the absence of metropolitan government, which I don't think will appear in our lifetimes, don't you think that this matter of sitting down together and communicating will have some benefit?*

MR. WOOD: Communication helps, of course. It gives you a vehicle that identifies area-wide problems that need to be solved; it does an area-wide or a regional planning job for an area that needs planning and carries on a good purpose. And it's justifiable. But when it occupies the field—and this, I think, is dangerous—when voluntary organizations of local government occupy the field and head off legitimate area-wide agencies for planning and administration, I think it's a great error. And this is what has happened to this voluntary association deal.

MR. VANDERGRIF: *I see. All right. One other question.*

The trend certainly in our time has been toward suburban development. In many cities we visited we found the central city losing population to the suburban areas. I don't see an early reversal of this trend. But I want to look at it from the positive for a moment. Do you know of a good suburb, a suburb that you feel is a balanced community?

MR. WOOD: They're all good. They're fine. They're the type of place where you and I like to live. I live in a suburb. I have an acre of land with orange trees on it, and olive trees and a garden that I enjoy, and a large swimming pool, and big adobe house. It's great. And I live in Sacramento County. I live in an area that is mixed. It

isn't a ghetto-type area. But it consumes a lot of land. My point is that since I am part of the Sacramento city community I ought to be taxed—I work in the city and I live out in another area—I'm not taxed for the services I enjoy downtown.

My son went to a college in the city for awhile. I ought to be under a general government organization. And I ought to help pay for the services and help make the decisions that are affecting me, even though I do live 10 miles out of the City of Sacramento.

MR. VANDERGRIFF: *I agree with you on this point. So how can we practically achieve that?*

MR. WOOD: Well, I think we've said that the Federal Government already is conditioning nearly all of its loan and grant programs on area-wide planning. All they have to do is add area-wide administration.

MR. VANDERGRIFF: *Mr. Leonard, you made the point that there should be no Federal aid unless some agreement is reached to abide by regional planning. Now, do you know of areas where there is a willingness on the part of some of the communities or sections within that region to abide by regional planning, but where other sections will not? As a result, aid would be withheld from what could be a very cooperative section on the basis that there is no plan for the overall region. Do you think that this is fair to the area that wants to cooperate?*

This is a practical problem that HUD faces, to my certain knowledge, in a few sections about the country. I wonder if you're familiar with this?

MR. LEONARD: To my knowledge the area-wide plan being developed by ABAG is just in its very preliminary stages. There are four different possibilities that have been developed by the planning staff of ABAG and are being circulated now. So there is no overall area plan for the Bay Area. I think that it kind of depends on each community. Each community is going to take a look at it and say, "What's in it for me that's good?" And if they have more good points than what they consider bad points, there will be a good component of area-wide planning. If they feel they're getting the wrong end of the stick, they will probably tend to look with disfavor on the area-wide plan.

But I think that the same is true of a local community when they're doing a general plan and saying, this is going to be the area for this activity, and this is going to be the area for that activity. There are some segments of the community that are disappointed and disagree with the general plan; yet it's absolutely necessary that the community have one. And some are disappointed.

I think the same thing is going to be true with the regional plan, though some communities are going to be very disappointed with how the regional plan treats their particular community. They are going to realize that even though they don't like it or feel it could be better, it is still better than nothing.

MR. VANDERGRIFF: *I'd be happy for any of you to answer this question:*

Has the state government in California been responsive to the needs of the urban areas during this explosive period of growth that you have seen in recent times? And regardless of whether you answer that yes or no, do you advocate a more direct partnership between the municipalities themselves and the Federal Government, or do you feel that the state does now have a vital role to play in this overall picture? Would you like to see the state be the middleman?

MR. TEMKO: Well, the state in many ways has been most audacious in promoting growth; for example, the expansion of the state university and college system is admirable. It could have been, perhaps, better architecturally and educationally, but it is a considerable achievement in an area of rapid growth.

We also have the State Development Study, which is nonoperational and may now die in Sacramento under the present administration. But it was conceived as the first—well, perhaps not the first—but as a systems analysis to this approach, to the ongoing dynamics of state growth.

Now, I mentioned water. The whole purpose of transporting Northern California water to the southern part of the state is to promote growth down there. If we have growth without water we'd have a very serious emergency. Whether this is the way to do it is another problem.

Incidentally, you know much has been said against the people. People here have voted very wonderfully for bonds. They voted for educational bonds, for open-space bonds. They voted for BART—for rapid transit—because they wanted something better. I believe they would vote for regional or metropolitan government if it were properly presented to them. The trouble is that in highly technical situations the people can't understand all the ramifications of the problems concerning rapid transit. And three counties here assumed the largest local bond obligation in history—\$792,000,000 for a 75-mile system. They voted it, but they are not getting their money's worth.

It's very hard. You know, they voted for park bonds at the same time they overwhelmingly elected the governor who wants to sell off part of the state parks, because they're not being efficiently enough used. They voted for universities at the time the campus was being armed because of student demonstrations. So I would say that you can have confidence in the people. But they need education in this governmental field. And this should also be part of your policy, educating the population as a whole from a very early age to the problems of growth.

MR. EHRENKRANTZ: *Thank you.*

I'd like to ask one question. I'm very much concerned with the side effects of programs that are run by single agencies in a single area. Let me just give one example before posing a question.

With respect to fill of the Bay Area, we have very equitable climate

here due to the fact that the water comes in through the Golden Gate at a constant temperature, summer and winter. It's deep water. It cools in the summer and warms in the winter. As we fill in the tidal flats, what we are doing is reducing the amount of flow of water which affects the total climate, and the side effect of this action is very great.

In terms of the Commission's desire to find information and facts on this type of effect, are there any examples that you could cite of activities of single agencies that very strongly affect those of the other agencies and the general public as a whole?

MR. TEMKO: Well, the biggest fill contemplated now is by the State Division of Highways, which wants to put another ring of freeways along the shoreline. They have one barrier now. A second barrier will be, to my mind, a grave error. But you have a problem here that also comes within regional government. What happens when a community on the Bay like Berkeley refrains from filling any more tideland when its neighbors want to fill the whole thing in?

Here BCDC [Bay Conservation and Development Commission] is a valuable start, although not strong enough.

MR. WOOD: I don't know that I would permit even a regional government to determine whether you fill or don't fill. Now, I agree with Allan. The people vote very well when they have the facts. But as I said earlier, there is no platform or political base at this time on which all these facts can be presented. The Bay is not simply the responsibility of the people who live here. It's the State's. It's a natural resource. And the Army Corps of Engineers has been busy filling the Bay for a long, long time. And if they were a little liberal in their interpretation of a law, or even if they interpret the law the way they do on navigable streams, which they could do if they had any guts—and they told me, in personal conversations, that they don't—they would be able to stop this whole thing.

I'm waiting for the time when we get a good state program here and the Army Corps of Engineers defies the program because the Bay is a national waterway and says, "We are going to continue to dump this fill." If they don't have these little sly fill-in games that are going on all around here, then they would have to haul this stuff out of the Bay and dump it in deep water. And this is going to cost more money. They're going to have to come back to the Congress and ask for the money. And they simply don't want to do this.

MR. LEONARD: I can think of two examples that the Commission might be interested in in this area, but before I do that I want to mention a very interesting article I read in the newspaper over the week-end about the Bay and some of the subsiding lands. I thought it was almost unbelievable. Apparently, according to Coast & Geodetic Surveys, despite all the filling, there are more square miles of water surface of the Bay today than there were in 1900.

MR. TEMKO: That's an error.

MR. LEONARD: Perhaps it is an error. But currently there is quite a bit of subsidence in the area caused by extensive use of Bay water

for agriculture in Santa Clara County and for suburban growth. Then the area has sunk. And now some areas that were 10 miles from the Bay are having to put dikes up because it's getting up close to them.

To get back to the original problem, I think there is a tremendous challenge to equate amenities and people's ability to pay. Particularly in the one example here in California—underground utilities. Everybody was really in favor of underground utilities, but they did make a difference as to whether certain segments of the population could or could not afford shelter. We have been trying to deal with this at the Public Utilities Commission for two-and-a-half years. The price started out at \$1,200 a lot, and now it's down to about \$300 a lot. So we are making progress.

The amenities aspect and economic consequences are one item. The next item was a recent geological study published by the State of California concerning earthquakes, showing that the major growth in the Bay Area is over or fairly near historical earthquake faults. This is a real potential keg of dynamite that everyone is kind of gently closing their eyes to.

MR. EHRENKRANTZ: We have a relatively short time left. We will throw this open to presentation from others who may be present.

I understand that Prof. Paul Taylor¹ would like to address the Commission. He will be the first speaker.

PUBLIC WITNESSES

MR. TAYLOR: I am speaking my individual views this morning. Professionally my career has been at the University of California, Berkeley, but I represent no one besides myself.

Mr. Taylor: 160-Acre Law as Land-Use Control

I should like to take the next few minutes which the Commission has been good enough to allow me to emphasize a particular aspect of the problem, and a particularly effective tool that is already in the hands of the Federal Government if it will but use it.

In California the relation between urban and agricultural land is especially close. You find the same thing, perhaps, in Arizona and elsewhere; but among the larger states California is special, if not peculiar, in this respect. The relation is so close because of the tremendous rate of our population growth. Estimates are that we have today a population of 18 million. By 1975 it's going to move up to 25 million and by the year 2000 it will reach 42 million, which means that the California population is going to be fed by migrations of population from Kansas and from Maine and from Oklahoma and

¹ Professor of Economics, University of California, beginning 1922; now emeritus. Consulting economist to Social Security Board, Department of Interior, Agency for International Development, and other Federal and state agencies and departments over long period. Author: *Sailors Union of the Pacific*, *Mexican Labor in the United States*, and other titles.

Texas and Illinois and other parts of the country. So if I appear to be speaking about California, please remember that I am speaking about people from all parts of the United States, born and yet unborn, who are going to be arriving here very shortly.

Now, the truth that must be confronted first is that what is agricultural land today is urban land tomorrow. It's becoming urbanized at about the rate of three to four hundred acres per day. The Federal responsibility stems from Federal investment. There are other considerations, of course, but there is the direct Federal investment in California. I speak particularly of Federal investment in water, reminding you that Allan Temko pointed out we are a desert or semi-desert except as we develop our water resources. The Federal Government has been and is putting money into the State, one might almost say, by the billions. The people in the state of California are not concerned over this. At the last election they voted adoption of a State Land Conservation Act. That is a very fine piece of legislation, designed to preserve open spaces. At the same time that I commend this I would like to point out to you that it gives us no more than breathing space—10 years of breathing space—on every deal or contract that is made with agricultural landowners, and with city and county governments, to shift or retain the agricultural tax basis rather than shift to an urban tax evaluation.

So while the people of California have properly demonstrated a lively interest, the device we have so far been able to employ gives us breathing space at the moment, but no more. The first great conservation measure of the United States, one might say—or at least speaking of the Western United States—stems from President Theodore Roosevelt who, in a sense, was the father of conservation. The Reclamation Law provides for tremendous subsidies for water development, which, to give a practical estimate, now runs perhaps at a thousand dollars per acre. In that law is a provision known as the 160-acre law. The purpose of that law is to insure that water does not go to the pre-existing property owner for a tract of larger than 160 acres. It's to control speculation. It's to control monopoly. It's to diffuse benefits widely, to see that they reach all elements of the population.

At the present time, according to an estimate of the national AFL-CIO, which I think is perhaps a conservative estimate, there are 900,000 acres in California either receiving or about to receive water not in compliance with the 160-acre law. I'm talking about an area much larger than the state of Rhode Island within the borders of this state where we are now meeting.

The proposal which I wish to support was advocated in principle in 1964 initially by Secretary of the Interior Stewart L. Udall. In his report to the Senate Interior Committee in that year he recommended a fund for the purchase of excess land. The meaning of excess land is land in excess of 160 acres owned per individual receiving water under Federal reclamation law. First, the existing law gives us the dimensions of Federal subsidy and the entitlement to assistance under

the Federal law. It goes even farther. It sets the purchase price of the excess land at the pre-water or pre-project price.

I should like to point out that in a state growing as rapidly as California there are few investments the United States could make that would bring greater returns to it than to help the Nation solve some of the pressing problems that face us financially at the national level. There are precedents for Government purchase. I shall name only a few. In 1943, in the Columbia Basin Act, the Bureau of Reclamation of the Department of the Interior was authorized to purchase lands for carrying out the general purpose of the project. It has been recommended by experts and really high officials and citizens concerned with reclamation from the days of Calvin Coolidge. And I have seen it in *Harper's Magazine* as far back as 1891. We, of course, have a lot of experience in the management of forest and grazing lands owned by the Federal Government, so I think that we need not think this is a fantastic departure and an idea of the future only. It has a solid basis.

In the Hudson River Valley Development proposals now before Congress, Government purchase of lands necessary to carry out proper development are included. I think the possibility of their public support, if the public is well informed, is also very substantial. I think that if the issue could be put to a popular vote—not obstructed or confused by other issues—the people of California would vote for it. Many popular organizations are for the 160-acre law. The labor organizations are for it. And as for the Government purchase itself, it has been recommended by national resolution of the national Veterans of Foreign Wars as far back as 1947, and by the California Labor Federation as far back as 1948; and at its 1965 convention in San Francisco the national AFL-CIO recommended Government purchase of the excess land.

I think that this program should be developed, the Federal government exercising its existing authority and adding to it Secretary Udall's proposal. I think in the planning of California lands covered by the excess land situation there should be coordination between state and Federal agencies to make sure that both state and Federal interests are involved. What I'm saying is we have a tool already in our hands. Let us now modernize this law—by adding to it to allow for Government purchase of excess lands—and then use it.

Thank you very much.

MR. EHRENKRANTZ: Thank you.

Is there anyone else in the audience who wishes to address the Commission? Apparently not. In that case, we will adjourn the session.

(Adjournment.)

Teachers' Lounge
San Francisco City College
San Francisco, California
Noon, July 5, 1967

The noon and afternoon sessions were devoted to the topic of housing for low-income families. How to provide an adequate housing supply was viewed in terms of the sociological needs of people now living in slums, with specific attention to public housing, urban renewal, model cities, citizen organizations, and the role of government.

PUBLIC HOUSING, RENEWAL, POOR PEOPLE

MR. EHRENKRANTZ: While we are still enjoying the lunch that has been set forth, I'd like to introduce our speaker in order to have sufficient time for him to talk and, hopefully, to have an opportunity to have a question and answer period afterwards.

Our speaker is Prof. Nathan Glazer.¹ Mr. Glazer is a member of the faculty of the University of California and has coauthored and written many books. Professor Glazer.

STATEMENT BY NATHAN GLAZER

MR. GLAZER: The American city is indicted for many failures. The beginning of wisdom in considering our urban problems is to determine what are our really significant and important failures, and what, on the other hand, are perhaps only temporary problems resulting from rapid growth or perhaps simply disagreements over what is aesthetic. I think over the past few years we have come a long way in beginning to make these essential distinctions. Thus, 10 years ago the suburbs were attacked because they were boring, or did not reproduce some classic city patterns. Today most of us are willing to agree that the suburbs—for those who can get into them—are a success. They provide spacious and technically quite good housing; they provide open space; they are being equipped with new facilities, public and private; they provide environments for family life that most people seem to find desirable.

Of course there are problems in the suburbs—but still we will not find our truly depressing failures there. Many of their problems are physical problems, to be solved through physical means. If we are fortunate enough in this country to be able to find problems that we can define as physical, to be ameliorated by technical solutions, then I would argue we have something that is not one of our most serious

¹ Social scientist. Coauthor, with Daniel Moynihan, of *Beyond the Melting Pot* (Cambridge, Massachusetts: M.I.T.-Harvard University Press, 1963); and, with David Riesman, of *The Lonely Crowd* (New Haven: University Press, 1950). Ph. D., Columbia University.

problems. For this is a rich country, and one with the capacity in technical and skilled manpower and in capital resources to solve almost any physical problems. The great expansion of American urban areas of the past 20 years does raise serious problems of air pollution and water pollution, of limited recreational and educational facilities, of new means and systems of interurban transportation. But all these problems can in large measure be solved by building new facilities which will have some clear impact on the problems.

It is true there are great political obstacles in the way of designing acceptable legislation, of getting legislative bodies to appropriate the necessary expenditures. And there are equally great political problems when we get to deciding what local authorities should undertake the planning, building, and running of these needed new facilities. Yet, to my mind, we already have models of various kinds of solutions—by no means perfect, of course, but which will nevertheless go some way toward meeting such problems of expansion. Thus, we have public corporations, special districts, forms of cooperation between cities, counties and states.

If we can find problems that have a physical solution—or for which physical programs will provide some part of the solution—then we are indeed fortunate. For we are the kind of Nation that likes to build, that can afford it, that benefits from it. Our problem is to devise the political solutions that make it possible for us to give free rein to what we do best—such solutions as the interstate highway system, or the college facilities building program, or the FHA, all of which (and, of course, there are many more) make it possible for this rich country to use its resources to build new facilities, with benefit to large numbers and harm to only a few.

I do not plan then to say much more about the suburbs or the problems of urban expansion, even though, of course, there is a great deal more to say—for it is these problems which, among the range of our urban problems, I believe we manage best.

Public Housing Not a Success

However, in our slum areas we are managing very poorly. There we have really serious problems, and problems which will, I believe, not easily give way to physical solutions. We have tried a number of such solutions, and we would have to agree that all of them, up to now, are failures.

Thus, I think we would all agree that American public housing is in many key respects a failure. It is unpopular, as studies have shown, with the majority of people eligible to live in it, and for whom it is designed. It is unpopular with the people who don't live in it but pay for it. It is unpopular—though this is the least significant of its flaws, to my mind—with architects, planners, and urban designers. The people who go into the job of building and managing public housing are generally not our more imaginative public servants. Objectively, the housing is very expensive to build, and often

rather expensive to maintain. Of course, many public housing projects are popular with those who live in them—but any bargain representing the kind of money-saving to tenants that public housing does is likely to find some popularity. And many of the people most eager to get into public housing are those who are so poor that they will not look a gift horse in the mouth. Perhaps the word failure is too strong—but I think we would all agree that public housing is not a success.

There have been various programs, local and Federal, to encourage rehabilitating and fixing up the slums—and once again, these have been for the most part failures: Expensive, and incapable of arousing strong and lasting commitment, or lasting improvement.

There is the Urban Renewal program, and while a good number of people would argue it has been a success in some terms, no one would argue that it has been successful in changing the slums or the inhabitants of the slums. Finally there is the model cities program—and I will have something more to say about that later.

I think the beginning of wisdom in dealing with the American slum is to understand that its problems are only partially, and in a limited way, physical problems—that is, problems of poor housing and poor public facilities. Of course housing is poor and public facilities old, but it is not this that makes the slums an explosive danger to the city. When European experts are shown through our slum areas they are horrified, and find it impossible to understand why a country richer than those in Europe cannot seem to provide better housing for its poor people. It is really true that as we understand slums in this country, there are no slums in some European countries.

It is easy to spring then to a physical solution—I have suggested some that have been tried and that we are trying now. When we say, as I have said here, that these solutions have failed, defenders of these programs will often argue that they have been tried on too small a scale. I think this is also an error. Admittedly the scale has been small, by some measures. But I for one would not be happy to see a larger program of public housing or a larger program of urban renewal—as these programs are defined today, or even with some improvement on how they are defined today. While I would not have the same qualms about a larger program of rehabilitation, I am also convinced from the experience of the past that a large-scale rehabilitation program, even if we could make it a success, which would be very difficult, would not go far toward dealing with the slum problem.

Why do I play down the significance of a physical approach to the slums? If we look at the statistics of this Nation and of the European nations whose experts are horrified with our slums, we will discover that according to various reasonable measures of housing quality, our housing, even in many cases our slum housing, is better than the common run of working-class housing in Europe. I am speaking of such measures as presence of hot and cold running water, number of rooms, lack of crowding. That is one mystery. Our slums are phys-

ically better than their housing—yet they are slums which horrify, and legitimately horrify, foreign visitors.

Consider another mystery. Public housing is technically good housing. It would have to be, in view of its cost. It is also not too crowded—since the management can assign rooms in accordance with size of family. Yet when people talk about the slums and slum problems in this country they often do not make a distinction between public low-cost housing and private low-cost housing. In New York, for example, public housing is often called a high-rise slum.

It would take a tortured line of argument to insist that the issue is nevertheless one of the physical quality of housing. Some people do take this line—they argue that the technically good housing for low-income people is inhuman and institutional. This may well be true—but it doesn't explain why they are slums. If you have seen the middle-income housing of New York City and the cooperative housing developments there, you would have to agree that they are just as inhuman and institutional—but nobody considers them slums.

I am not arguing there is no problem about poor housing in this country—there is, and quite a serious one. However, while we have on the whole been successful in reducing the proportions of poor housing in our cities since World War II, our sense of the growth of the slums and the malignancy of their problems has increased.

Perhaps I am laboring a point which is only too obvious—that is, our slum problems are not primarily physical problems; they are complex social problems related to the fact that the slum-dwelling population in our cities is increasingly Negro. Thus, when foreign visitors see our slums, they are reacting only partly to their physical conditions—they are reacting to the sight of men lounging about without employment, children playing without supervision, youth without any apparent useful employment. They are reacting to a social as well as to a physical scene. Even the physical aspects of the slums are in large measure determined by the social and economic problems of those who live in them. If the maintenance is poor it is because homeowners are too poor to make repairs, tenants too weak to require landlords to make repairs, families in the neighborhood are too disorganized to police some reasonable standard of civic cleanliness.

I am suggesting one reason why our low-income housing, despite the fact that it was built more recently, and often as well or better than Europe's low-income housing, so often serves to make a slum, while theirs does not. I do not have the full answer to this problem—and I think it is important that we should have better answers than we do. There are many questions we could and should ask of Europe, and many things we could and should learn. But I am convinced of one thing: Whatever may have been the case in other countries and in other times, our slum problem is not primarily a problem of specific facilities—it is a problem related to the existence in this Nation, and increasingly in our cities, of a large, depressed population, which has suffered from discrimination, segregation, poor educa-

tion. Our slums have always varied, depending on who lived in them. We have lived with German slums, Irish slums, Jewish slums, Italian slums. We are now living in an age of Negro slums. Each group has been a participant in creating an environment which to some extent reflected its experience. Now we have a group that has suffered from the worst experience, with the worst effects—and the environment it has helped create reflects that experience.

It is thus understandable that we should move from an emphasis on physical programs to an emphasis on social programs. There are the varied programs created by the Office of Economic Opportunity, and there is the as yet hazy program combining physical and social efforts aimed at in the demonstration cities [model cities] legislation. There is something very appealing about saying, well, if the problem is social, let's spend money on social programs. But it will not work that simply. If we have physical problems, we can spend money and we will have a pretty good chance of contributing to the solution of the problem. The highway may be in the wrong place, the sewage disposal plant may not be the most efficient one, the school may not be well designed—but for the most part it can be argued that some contribution to solving the problem has been made. But when we come to social problems, we can have radical disagreements as to how to spend the money—for what, and with what effect—and it may turn out that considerable expenditure has not affected the problems at all. Further, while it is generally the experts who disagree in the case of physical programs, both the experts and everyone else disagrees when it comes to social programs. For example, consider juvenile delinquency. I read recently in the morning *Boston Globe* about the final report of a project testing various approaches to juvenile delinquency in Newton, which has cost \$1.5 million. Three groups of potential or actual juvenile delinquents were selected, for one of which there were no special services; for a second, limited services; for a third, everything that the experts could think of was laid on. The conclusion: The third group may have benefited somewhat, but at enormous cost—the average cost of treatment was \$60 an hour.

This is an ideal example of the kind of problem we face when we say, let's solve the social problems of the slums. We don't know what will work, and we don't know what it will cost.

As I have suggested, crime falls into this category. Education falls into this category. I will also argue that "making good neighborhoods" falls into this category. If making good neighborhoods means improving the street layout, building playgrounds, improving transportation, building new schools, et cetera, we can figure out the cost. But if it means transforming a neighborhood so that people feel better, are happier, so that social problems are reduced—violence, dependency, delinquency, illiteracy, and the like—well, if that is what we want, it is not clear just what we should do.

But it is also clear that we must do something. At this point, one can well say, without fear of exaggeration, that the cities are in

great danger, and their problems are no longer only problems of amenity, or comfort, or quality of life—they are problems of safety, of life and death, of their physical destruction by a despairing and increasingly violent population.

Approaches to Corrective Action in Question

Under these circumstances three approaches to action have become popular. One is to take the line that since we—that is, the experts, and the legislators, and the administrators, and the people of good will—don't really know what to do or how to do it, we must involve the people of the slums themselves. We must ask them what they want and what they need, and we must give them some of the power, the personnel, and the funds to carry out their wishes. We have seen this approach operating on occasion in the Urban Renewal Program, and in stronger form in the Community Action Program of the Economic Opportunity Act, and in the Model Cities Program.¹

There is a second general approach to action which has become popular. This one again begins with the acceptance of the fact that the problem is complex—and then goes on to say the solution must be complex, too. It understands that everything is involved in the problem of the slums—education for the children, work for the men, work-training for the youth, recreation for all, organization to make the voice of the people effective, media of communication, and so on—and then goes on to say that since everything is involved, everything must be worked into a program for the slums. Eventually this will mean complex programs with an emphasis on planning and co-ordination of a great variety of programs. This is the course we have now taken.

Third, we have decided to concentrate on special areas within cities—since the problems are so great, our complex urban programs are designed to work in a limited area.

While the three approaches need not be linked, in practice they have been. In the Community Action Program we have called upon the poor to participate in the construction and formulation and administration of a complex and many-sided program. In the demonstration cities planning, we have also selected certain neighborhoods and in selected target areas made a place for the people in the affected neighborhoods to participate in formulating these complex programs to transform poor areas.

I would argue that the attempt to put complex social programs directly in the hands of those affected by them has in general led not to the amelioration of the problems of the slums but to an enormous increase in conflict and in opportunities for conflict in the

¹ The Model Cities Program, under the Demonstration Cities and Metropolitan Development Act of 1966, offers generous Federal aid to cities which devise acceptable plans for saving whole neighborhoods through comprehensive physical and social renewal activities involving both public and private efforts.

cities; while the attempt to create complex and many-sided programs involving the coordination of many different types of approaches has led to enormous confusion. It is easy to consider both the conflict and the confusion as necessary first stages in the creation of a better form of government of urban affairs, and this is indeed one possibility. Yet I think a closer analysis of the recent developments will suggest that we are not in fact on the right course, and we are not emphasizing the right things.

The first problem is that these complex programs place an enormous strain on available administrative talent. They place an enormous strain on our limited planning staffs and capacities, for, first, a plan must be worked out which demonstrates how all the different social efforts to improve the poor neighborhood will work together. We then find such ironic developments as the rise of consultantship firms, into which the few able people capable of developing these complex programs to the satisfaction of Federal officials gravitate. The consultantship firms themselves generally will include former Federal officials who understand better than others these complex requirements for coordination. Thus programs which, according to the intent of Congress, are supposed to reflect the needs and character and capacities of individual cities are themselves very often the product of a small group of experts, who have generally gained their expertise in the Federal establishment. At each step in the development of these complex programs the cities need the guidance of Federal officials, and the aid of increasing numbers of consultants.

When any approach to social problems takes a form in which the ordinary talent available to staff city services cannot manage it or manage it well, it is to my mind time to take another look. Up to now our approach to aiding the cities to handle these complex coordinated approaches is to appropriate ever more money for planning, to increase the number of steps at which there is Federal supervision. In other words, our approach is to increase the demand for increasingly scarce and specialized individuals.

When, in addition to all this, we insist that in the planning of these programs, which are already beyond the capacities of most mayors and their staffs to fully understand or fully develop, the people of the poor neighborhoods themselves must also be involved, we compound our difficulties. Conflict is valuable when it leads to some decision, some conclusion, some new reorganization of power, with some degree of coherence. It is not valuable when what is fought over are themselves these dark and murky and rapidly developing and scarcely comprehended new complex programs. Under those circumstances, conflict, which can certainly be healthy, only leads to confusion and frustration. After desperate struggles to control a Community Action Program, the winners may discover they have gained not much more than dust, because of the complexity of the program, the inability to define it in clear and comprehensible terms, and because owing to this lack of clarity it becomes difficult to get sustained support from Congress.

I am afraid we may be going the same way with Demonstration Cities.¹ Only the Federal administrators and the consultant will really understand what it is about and how it is supposed to work. The battles of the poor to gain an increasing control over the program will result finally in still greater frustration. And the city administrators will go along because it will be yet another way to get Federal funds—not because it is the way they might have chosen, or because it will provide funds in the most useful way.

Alternative to Present Approaches

It would be pointless to criticize our best thought and most promising approaches to solving the problems of the slums if one did not have alternatives to suggest. The alternative I would like to suggest is an attempt to create new institutions of urban government and services, and to strengthen old institutions, in ways that clearly meet some specific needs; and by means that involve not the creation of new and ambiguous professions but new branches of government service. I think I can best flesh out this approach by describing what has happened to the programs of the OEO [Office of Economic Opportunity].

Initially a great deal of emphasis in the Poverty Program was placed on the Community Action Program—which to my mind is another version of demonstration cities, with less resources, and a larger component of local participation. It also emphasized the selection of poor neighborhoods, a local determination of what programs might help the area most, and a complex and lengthy planning and coordinating process, which was not a one-shot affair but was to be almost continuous. I will not describe the problems that developed in making CAP viable—the conflicts over representation, types of service to be included, ultimate locus of decision-making power, et cetera. It was as if a hundred communities were living through a period of constitution making—with a considerable shortage of founding fathers of vision and authority.

But after all this turmoil, it turned out that some of the most successful OEO programs were those which had not been originally envisaged as playing any important role in overcoming poverty in the neighborhoods. The two in particular that have been unexpected successes are Operation Head Start and the Legal Services Program. What do I mean by success? That a substantial consensus in the community at the local and national levels accepts these programs as good and valuable, and the chances of their continued funding as a regular part of government service are good. I cannot define them as successful in terms of overcoming poverty—but then what would qualify as a success in these terms?

What the people in the slums need, I would say, is not more

¹The Model Cities Program (see footnote page 242) originally was called the Demonstration Cities Program.

planning and participation—they need a series of services that are at present poorly handled or not handled at all. We need to institute, or if you will, invent, new services for a variety of long-range problems. I think we can set some criteria which would indicate what will work.

First, we have to define a clear need, which we can describe in simple and unambiguous terms, and which is felt as a need by those for whom the service is designed.

Second, we have to define some action—either a service or a physical facility—that clearly meets that need.

Third, our definition of need and service or action must be such that it is politically acceptable to enough citizens to be instituted.

Fourth, there must be personnel available to carry out that need or service.

These are not simple criteria for slum programs—but I think they are important criteria. They explain why Operation Head Start and Legal Services are a success, and the Community Action Program is a failure. They also suggest some problems that the Model Cities Program will have to face up to, and perhaps ways of improving it.

What might be some of these new institutions of government we could establish in the slums?

Admittedly the task of setting criteria on the basis of the experience of the past is easier than to project the institutions that will emerge and must emerge in the future. If we looked at our cities 150 years ago, we would find that there were no services of police, no regular sanitary services, no professional firefighting service, no public health service, and no public education. In time all these services came into being and became the backbone of regular city government. Our problem is to create institutions that 20 years from now will seem perfectly natural—they fill a need, they are accepted, they get budgets, and they are run by regular city governments, or metropolitan governments, if these replace them. I doubt that any of them will be totally original—they will be extensions of old services, as Head Start is an extension of education services and as legal aid is an extension of public defender services. But that will be politically their virtue. The totally new is always difficult to establish. New services are most easily established in connection with a commitment that society has already made—and then the service expands or fulfils the commitment.

Following this line of analysis, I think the most valuable role of the Model Cities Program will be to fall upon, by accident or design, new services, and means of expanding old services—just as this was the most valuable part of the poverty program. It is part of the inevitable dilemma of social change that we cannot design sure-fire institutions in advance. We know we need better slum schools. If Model Cities helps support experiments in this area, experiments which can then themselves become the model for a new type of school or a new type of school system, good. If Model Cities can devise new means of assuring safety in the slums—the involvement

perhaps of youth as police trainees, the development of new community-service oriented police, good. If Model Cities can show us how to improve our housing inspection services and our incentives for improving housing maintenance and repair, that will be good too. If Model Cities can aid in developing some means of bringing better health care to the slums—and here too we need inventiveness if we are to overcome the ingrained opposition of the organized medical profession to most of the obvious solutions—that will also be good. But the outlook of Model Cities should be, to my mind, not a permanent service of planning and coordinating city services to the poor—for that is properly the task of city government—but to help create those new institutions that will make city government in these areas better.

Main Key: Not Housing but Income

I have talked around and beside what most people consider to be the main issue in the slums, and what is certainly an important issue—housing. The reason I have done so is two-fold. First, as I view the experience of the American city with slum dwellers. I have seen that the normal pattern of emergence from the slum has had little to do with housing. It has had to do with the state of the economy, the development of new job skills, the rise in educational level. At that point, the slum dweller either moves from the slum, or in some cases has enough money to improve his quarters and stay there. I have therefore thought of how one aids and improves and adapts this process for present slum dwellers. And if we are to do that, our main efforts must be in job creation, job training, education, and the like.

Secondly, when I consider the costs of any program to improve present slum housing, I feel it is politically inconceivable that a really large-scale program will develop. The problems in the way of establishing, on expensive central city land, permanent, heavily subsidized housing for the poor seem to me enormous, and I do not consider it worth my while to try to convince Congress or the American people that they should spend the money that may be required. In fact, I consider the sums we now spend to subsidize housing ill-spent. I would prefer to give all our public housing over to private operators or to a cooperative, and use the money we now use to subsidize housing to subsidize people so they can afford housing. I see no reason to permanently establish two or three or four or five kinds of housing bearing different kinds of subsidy.

Nor do I see much hope for housing for the poor in rehabilitation. Good rehabilitation is almost as expensive as good new housing, and requires a heavier investment in the way of planners, designers, administrators, and the like. Just as I don't see how we can convince the American people to invest heavily in subsidizing housing for the poor on the most expensive centrally located city land, so I don't see

how we can convince them to subsidize the almost equally expensive rehabilitated housing.

The major problem in the slums is not housing for the poor—it is income for the poor. If we can provide the income, through a variety of social programs, that permits the poor to live in houses that we define as minimally adequate, then they will be built.

Meanwhile, the slums are there, the housing is there, the people are there, and we all know we must do something. I would argue that what we do should look ahead to a time when the poor have moved to other areas—now not so poor—or have enough money to fix housing up on their own. Meanwhile, we do the things that serve the poor neighborhood today, and will serve the different neighborhood it will be in 20 years. We improve the streets, tear down the fire hazards, build some parks and playgrounds. All this, by the way, involves labor that is not hard to find, and problems of coordination that are not so complex as the elaborate social programs. Thus, on the physical side, I see new housing for the poor in the slums as the most difficult to provide—for it will require heavy and permanent subsidy. I see new facilities of other types easier to provide, and perhaps they will serve as well to raise the morale of the slum dwellers and to reassure them that something is being done and some consideration is being given to their needs.

I do not object to any experiments that will provide some housing for the poor—cooperatives for the poor subsidized by the Government; ownership housing for the poor specially subsidized by Government; rehabilitation programs. But I do not see how any of these can become the dominant housing for the poor in this country. Most people in this country prefer to be their own landlords, or prefer non-state landlords. While they are willing to accept the restrictions of the mortgage-holder and the private landlord, they are not willing to accept the restrictions of a state landlord. It is the way things have worked out—I do not think we can or should do much to change it. We have had one great success in housing policy in this country—that is the provision of single-family housing through federally guaranteed mortgages. Most people like it that way. In housing, our task must be to permit the poor to get into that program—and that means to provide them the income to do it, and to change the regulations in the mortgage programs that limit them unduly.

I have covered a lot of ground too lightly, and have left out a good deal more that would have to be considered in dealing with our urban problems—the role of the new towns in dealing with the problems of slums and the poor, the problem of segregation and how it complicates every other problem, the problem of transportation and its relationship to raising up the poor.

But I have decided to emphasize one thing only, because that thing is on our public agenda now. I think we have placed too many of our marbles on programs that require complex skills of coordination and planning that don't yet exist. I think the pattern of government in the past—an organized service providing a program to a

clientele—is still a model that can teach us a lot about how to improve life in the slums. Our problem is to define politically acceptable new services for the cities that provide clear and immediate improvement in some conditions of life, that can be staffed by personnel without exotic and complex qualifications, and that can be instituted without endless conflict.

For the last few years we have had a lot of dust thrown in our eyes by the argument that the poor want power and participation. Of course they do—as any citizen does. But even more, they want income and services. It is along these lines that we should look to improve the slums.

MR. EHRENKRANTZ: Thank you very much, Professor Glazer, for that very fine presentation.

We do have some time for questions, so we will open the meeting up for that.

QUESTION¹: I wonder how you come to the conclusion that most people would like to be their own landlord?

MR. GLAZER: Well, every once in awhile this question is asked in a national survey. And the answer is always that almost all people who own their own homes prefer it that way, and close to one-half of the rest prefer it that way too. That's sufficient, I would say, for a conclusion. Now, of course, one argument is that they may prefer to be their own landlord only in the absence of certain kinds of rental housing which should be provided. And I accept that. It makes some sense. But I also think that under the economies of this whole rental housing thing, it seems to be very hard to provide people with what they think they would like in rental housing when they can get more of what they want in ownership housing.

Your question is, how do I come to the conclusion that people want it? There are obviously some cities that are very strong on apartments. Always have been and always will be, because of land cost and because of cultural tradition, and so on.

I must say the one place in which any attempt to solve the urban housing problem this way, or any other, breaks down is in New York. But for most places we have seen a great increase in ownership housing. We know there is a market for renting to certain types of families and so on. But if we talk about the problem of the urban poor and of the slums, I think one key thing for most parts of the country and most cities—and as I say New York is special and a few other places are special—the one key thing to say is if they could have cheap houses they could own with some decent transportation they would like that better.

MR. EHRENKRANTZ: *Considering the limited land areas in the cities and the kind of densities we have to build around now in cities, and the lack of cheap transportation between the urban and suburban communities which provide a certain type of housing—it seems to*

¹ Stenographer was unable to identify some questioners during lunch session.

me that for the urban poor rental housing in multi-family structures is inevitable.

MR. GLAZER: Well, I think a good deal of it is inevitable. And I imagine it would be cheaper if more of the poor in this country would rather live in our rental housing than in their own single-family housing. But there is a trade-off between the cost of building in the central cities and the cost of building farther out. We have never taken sufficient advantage of this trade-off, and provided single-family homes on the cheap land far out.

I suspect the land situation is not so serious that you couldn't satisfy this need.

You know, if you compare the United States with England, for example, you find we have a great deal of wealthy, high-rise buildings, but they have a great deal of single-family attached housing. And it's manageable. Yet they have much less land than we do.

If you look at the Scandinavians you will see they go in for apartments, for other reasons.

I think there is still quite a good deal of growth to be expected, because of population growth and other reasons, in single-family housing.

QUESTION: I would like to ask you about something that appears to me to be a contradiction in what you said. It's true we have had some success in this country over the years in solving purely technical problems. FHA, in a sense, is purely a technical solution, I would agree, to a technical problem.

Are you saying that now we have come to the time in dealing with a new kind of problem when we have to, in effect, throw out what we have learned about some of the technical problems to attempt to solve something that is much more complex? To solve the social problems must we abandon our emphasis on the physical aspect of renewal in terms of housing and so forth?

MR. GLAZER: Well, first of all, I wasn't saying let's have physical solutions, because we know how to do that. If we could translate some of our social problems into physical problems we'd be doing very well. If we could think of ways to provide good medical care without using doctors and provide education without using teachers, you know, that would be pretty good. You'd want to find ways of doing with less doctors and less teachers. We are always going to have shortages and we are always going to have, or seem to have, more imaginative and able people thinking of the physical solutions, the technical solutions, than, let's say, people who go to the question of how to run a school system, you see. This is the way it works out.

I don't say to throw out the physical solutions. But there are aspects that are not amenable to physical solutions.

People have said we have complex social problems. And I say we don't have to handle them with complex social solutions. What we need is to build up or to beef up certain services that are accepted, that can be made acceptable to solve some part of the problem.

I suggest things such as education, recreation, and so forth, as well as more basic things like job training.

I just want to make one thing clear. I am not an expert on public housing, but I know that we build around 35,000 units a year. I certainly wouldn't be overjoyed to see it go up to 100,000 units. I would not want to see it greatly expanded, you see.

That's about as far as we can go there. I don't want to see this physical solution over-emphasized. I don't see how that solves the kind of problem I address myself to.

MR. DOUGLAS: *Mr. Glazer, this idea of income maintenance is a very attractive thing which I think people frequently advocate without quite realizing how complicated it is, or how costly it is.*

The basic minimum, usually considered just above the poverty level, is still quite low—only \$3,000 for a family of four. Now, just to bring all American families up to this level takes around \$28 billion a year. The incomes of the poor are about \$17 billion a year. Therefore, just to provide the basic minimum you would have to pay another \$11 billion a year in public expenditures. If you follow the argument of those who think of income maintenance as a substitute for welfare, you would have to increase the income support to make up for that \$4 billion of present Federal welfare expenditures, or to a total further outlay of \$15 billion.

After you do all that, the people at the \$3,000 level still cannot afford decent housing. So I think you've got almost as many difficulties under the income maintenance approach as you do under various forms of housing subsidy.

MR. GLAZER: May I make one comment on that?

MR. DOUGLAS: *Sure.*

MR. GLAZER: First of all, you've made a very good point. I have seen some of these arguments. In my statement I spoke, not of specific schemes, but of schemes in general. Yet housing subsidies aid only a part of the poor, and another part get no housing. Income maintenance would help all.

There is another important point I would just like to throw out for the Commission's consideration. I have spent a great deal of time thinking and examining European housing programs and wondering why can't we do what they do.

People there live in some housing at remarkably low rates and other people will pay five, ten times as much in rent. Why do they allow it? Well, they allow it because it's politically impossible to do anything about it now. It's built up too strongly. There is strong political support for this odd situation.

Now, I think the problem for our country nationally in terms of subsidized housing is that it's politically too small; too few people get the benefit to enable us to expand it. It's developed too slowly. We put our money and our investment some place else—in the single-family house. That has the political support.

MR. EHRENKRANTZ: We are already late for the start of our afternoon session, so I think we will have to end here.

Thank you once again.
(Meeting recessed.)

*Auditorium,
City College of San Francisco
San Francisco, California
Afternoon, July 5, 1967*

MR. EHRENKRANTZ: We have three witnesses scheduled to speak to the Commission this afternoon. After all three witnesses have had a chance to make their presentations, the Commission members may question witnesses to elicit further information. Then we will throw the session open to the floor in case anyone wishes to make a statement or presentation.

Our first speaker this afternoon is Mrs. Dolores F. Holliway,¹ Executive Director of the Housing Authority, City of Richmond, since 1957.

STATEMENT BY DOLORES F. HOLLIWAY

MRS. HOLLIWAY: Thank you, Mr. Chairman. I will limit my statement to my field, which is public housing. Mr. Chairman and members of the National Commission on Urban Problems, it is a pleasure to be here today and to be given the opportunity of sharing with you some of our concerns. While my remarks pertain to the City of Richmond, I know that many of my colleagues in other housing authorities in California share the same concerns and face similar problems.

In order to set the stage, and so that you may have a better understanding of our problems, I will take a moment to give you a thumbnail sketch of our city's background.

Richmond is a residential and industrial suburb in the San Francisco-Oakland Metropolitan Area. It is located on the northeastern shore of San Francisco Bay. It began as an industrial center with a major oil refinery and two railroads, and has continued as an industrial town. During its first years, prior to World War I and, for that matter up to World War II, the city was sparsely settled. The impact of World War II was immediate and overwhelming, when four major shipyards run by Henry Kaiser were built in Richmond in 1941. The population jumped from 23,642 in the 1940's to over 100,000 in a matter of a couple of years. Most of this growth was from immigration of various ethnic groups from the rural South and Southwest who came to work in the shipyards. The Maritime Commission built over 18,000 units of temporary war housing on every available piece of

¹ Past President, Pacific Southwest Regional Council, National Association of Housing and Redevelopment Officials.

land in the city. These units were managed and operated by the Housing Authority of the City of Richmond under lease from the Federal Government through the Public Housing Administration. The population impact greatly overburdened all public services—schools, medical facilities, et cetera—and social problems were aggravated. At the time it was assumed that at war's end the jobs would disappear and the new population would disappear with them. The shipyard jobs ended, but other jobs appeared and the population remained, most of them living in our temporary war housing units. During the 1950's all of the temporary war housing was torn down and the tenants did their best to find other homes. Since the Housing Authority at this time was operating only 500 units of permanent low-income housing, it was impossible to relocate these people in other units under the jurisdiction of the Authority. With the closing of the temporary war housing units, the Caucasians spread throughout the city and surrounding suburbs of El Cerrito, Pinole, San Pablo, and El Sobrante, or moved elsewhere in the Bay Area. The Negro residents had little choice except either to leave the City of Richmond or to move to those limited areas in the city where Negroes were accepted. Most of them took the latter choice.

By 1960 the population was slightly over 70,000 and growing moderately. The population in 1966 was approximately 76,000. In 1960, the city's population was 21.8 percent non-white (20 percent of the non-whites being Negro) compared with 10 percent for the Bay Area. In 1966 it was approximately 33 percent non-white, including 30 percent Negro. This represents an increase in the number of Negro residents, and a decline in the number of white residents. Present trends indicate that our population changes will be similar to those of the typical central city pattern—an increasing concentration of minority groups, low-income families, and elderly persons. Our population is somewhat younger than the Bay Area average, families are larger, education level and incomes are lower, and employment tends toward skilled and unskilled labor rather than professional or technical. With this brief background, I will attempt to outline some of the problems that those of us concerned with housing must face.

Public Housing up to Voters

While the Housing Authority is primarily concerned with providing safe and decent housing for families of low income who are not able to procure it in the private market, we wish to point out that we have long been concerned that brick and mortar or four walls alone are not enough. But we do feel that decent housing helps alleviate, to a degree, some of the other problems of the low-income family. In California, the problem of procuring additional public housing for low-income families is a very real one. For while a housing authority may recognize the need and may be very well aware of what should be provided to assure all families of low income decent housing, we

must first have a successful referendum before any additional units can be acquired through this public housing program.

In these days of high taxes it is becoming extremely difficult to win a referendum. In our city the voters have recently rejected a hospital bond issue twice, and have repeatedly rejected school bond issues.

In attempting to provide additional housing for low-income families, we are therefore submitting an application to the Housing Assistance Administration for 300 units of Section 23 Leased Housing,¹ 125 of which will be designated for the elderly. The City of Richmond has also filed an application with the Department of Housing and Urban Development for a planning grant under the Model Cities Program directed at the Iron Triangle, comprising the downtown areas, North Richmond, and a portion of the South side, all presently predominantly Negro. Most of the city's older housing is located in these areas. Post-war construction can also be found in these areas; unfortunately, much of it is of minimum standard, has generally received little or no maintenance, and has catered specifically to welfare recipients. Many of the older homes have been purchased by Negroes. Lack of storm sewers, deteriorated or missing sidewalks, street paving, curbs, gutters, et cetera, are found in these areas and represent the inability of the low-income property owner to afford to put in the needed improvements.

Within the City of Richmond there is a serious shortage of units with four or more bedrooms at a reasonable rent or price; yet in the areas mentioned above, there are a great number of large families with low incomes, and these families, we find, are living in terribly overcrowded conditions. These families need special consideration, with means found for the construction of larger size units. The present statutory limits on construction costs in low-rent housing, coupled with HUD's additional regulations, are placing excessive importance on the average cost of construction. The current solution, to comply with the regulations, has been for housing authorities to build an excessive number of two-bedroom units so that the average cost per unit will come within the politically accepted limits. We feel that this is unrealistic, and that the Department of Housing and Urban Development should be encouraged to abandon this approach, accepting the fact that large units are the basic need for families today. The construction of an excessive number of two-bedroom units, for which the current demand is relatively small, does not help or solve the major problem. One additional point in this regard is that the high construction costs are also forcing the use of small rooms in order to stay within the square-foot limitations. This also will inevitably lead to overcrowding as it becomes more and more necessary to house large families in units that do not have enough bedrooms to meet their needs.

Housing problems are especially acute for elderly persons. In January 1966, our Authority completed 150 units of public housing de-

¹See footnote page 142.

signed for the elderly. They were filled immediately, and we have a waiting list at the present time. New housing—as replacement for substandard units, to accommodate increased population, and for people displaced by construction of necessary public facilities—is needed.

Experience indicates that the utilization of existing housing through the Section 23 Leased Housing Program can be useful in helping to provide housing at lower rents for low-income families; however, this is not going to come anywhere near solving the problem, nor does it provide a long-range solution. We would recommend extension of programs designed to make it possible for private enterprise to reach into the low-income housing market in greater depth. Some of the tools already exist, but more needs to be done in terms of lower interest rates for financing, and in some instances actually subsidizing, perhaps along the lines of the contributions available to local housing authorities.

As has been mentioned earlier, here in California a local authority cannot expand its low-rent program until a successful referendum has been held. We realize that this is a local problem, and one that cannot be solved by the Federal Government except through encouragement to the state officials to have this restrictive requirement removed. The importance of this is pointed out by the fact that the Housing Authority of Richmond, as with all other housing authorities in California, is unable to cooperate effectively with private developers to implement existing programs such as turnkey and rehabilitation.¹

Another major problem that the Housing Authority of Richmond has been encountering is operating costs. As the Commission undoubtedly knows, a local housing authority must pay all operating costs from rental receipts, with the exception of a supplemental contribution conditionally available for senior citizens. The only other contribution available is limited to the amount needed to meet debt service requirements on the bonds.

Our experience has been that maintenance and management problems are increasing as the projects grow older, and as the occupancy of the projects begin to reach deeper into the hard core element of the low-income families. This, coupled with the increased problem with rent collections from welfare recipients, is making it more and more difficult to meet the costs of operations. In discussions with other housing authorities, I find some are already on the brink of serious financial difficulties. In order to meet this problem, consideration should be given to providing housing authorities with additional financial support to permit adequate operation of the projects. Maintenance and management personnel of the low-rent housing

¹ Turnkey housing is a method of providing public housing through purchase, by the housing authority, of privately produced construction from the builder, who follows general requirements instead of minutely detailed Federal specifications. It is also used in the provision of rehabilitated private housing for public housing tenancy.

projects need help in dealing with the more difficult problems that have been developing.

It would also be desirable to give serious consideration to changes in the basic Federal laws relative to welfare support programs, and to make possible direct rental payments by the welfare agencies to housing authorities and other landlords. In discussion with various private landlords I find that they too have been suffering considerable loss from rent collections from welfare recipients, and many are now refusing to rent to welfare recipients, preferring to take a vacancy loss. Our experience in the Housing Authority of Richmond has been that approximately 85 percent of our collection losses have involved families who are welfare recipients. So far as those families are concerned, there is thus a double subsidy on the part of the Federal Government: the families are federally-supported welfare recipients and use welfare funds to pay the rents; when the rents are not paid from those funds, the result is that collection losses to the housing authorities increase the need of Federal contribution to the housing authorities to make up the loss.

I feel that particular mention should also be made of the need for greater communication among agencies with programs serving low-income families. A particular problem in the past couple of years has been the tendency of programs designed to assist the low-income families to combat, or at least cope with, abuses of slum landlords to be directed instead against programs of local housing authorities, who are making a sincere effort to service the housing needs of such families with decent, safe and sanitary housing at rents within the families' income. While it is possible that some housing authorities have not given full recognition to the social significance of operating their housing programs, it would appear to us that this recognition could better be achieved through negotiation and education, beginning with the people in the top levels of the agencies involved in these programs, rather than through the use of one federally supported program to combat the efforts of another federally supported program.

I want to thank you again for the opportunity given me to be here. I want to point out that for many of the low-income families their only hope of decent housing is through the programs administered by housing authorities, and assistance must be given from the Federal level along the lines which I have mentioned in order to help us in carrying out our programs. I shall be happy to answer any questions you may have.

Thank you.

MR. EHRENKRANTZ: Thank you.

The next speaker will be Mr. William Sluis,¹ a reporter for the *Santa Barbara News Press*.

¹ Reporting specialty, low-cost housing and urban renewal. Graduate of University of California, and previously a high school teacher.

STATEMENT BY WILLIAM SLUIS

MR. SLUIS: Thank you.

I am not a specialist on urban problems. I don't pretend to be an expert. What I want to do is to describe the situation in Santa Barbara. I have no answers to the problems.

Santa Barbara is known the world over as a serene city, somewhat removed from the acute pressures and problems that plague many larger cities of the land. It has managed to avoid the helter-skelter growth patterns of other cities, but it does have several issues which it must face today. One is a deteriorating commercial area; two, residential blight; three, tax inequities; four, enforcement of its codes; and, five, adherence to the city's master plan.

At the end of the second World War, Santa Barbara's population was approximately 45,000. Its downtown business and shopping center extended 16 blocks from the ocean up State Street, which is the main street. Nine blocks of State Street formed the core of the city.

In 22 years the population has swelled to 80,000 people. Housing and commercial areas have sprung up in Goleta Valley to the west, in the Mesa, which is on the ocean, and in the north part of town near the foothills. Today a gigantic shopping center opens its doors in the 3800 block of State Street, which is about 18 blocks away from the former core of Santa Barbara. Much of the downtown trade will go to La Cumbre shopping center because of its appeal as a satellite shopping complex and its parking facilities. City officials expect that downtown sales will drop over the next two years until 1970, when revenues will again equal last year.

Potentially Prime Land Blighted

Santa Barbara's main problems are twofold. The first involves preservation and rehabilitation of the downtown area; the second is in connection with blighted housing which lies on both sides of lower State Street, in an area about 12 by 14 blocks square.

A local architect studied urban blight in Santa Barbara. He asked two questions: How much tax revenue do we get from property that is up to snuff? How does that compare with revenues from properties that are rundown?

Four samplings comparable in size and use showed that revenue lost to the city and county in one year totaled well over \$41,000. This amount is but a drop in the bucket if all lower State Street tax revenues were added and compared with revenues from standard areas of the state. Here is a table which goes into detail:

EFFECT OF BLIGHT ON TAX REVENUE
(Comparison between Well-Maintained and Run-down Properties)

	Property Description		Taxes Paid To County	Differ- ence *	Taxes Paid To City	Difference
	800 block State Retail	3,950 sq. ft.	\$ 2,815		\$ 621	
(1)	200 block State Auto Eng.	4,580 sq. ft.	\$ 510	-\$ 2,304	\$ 111	-\$ 510
	800 block State Retail	12,500 sq. ft.	\$ 4,345		\$2,075	
(2)	700 block State Retail	12,500 sq. ft.	\$ 2,760	-\$ 1,584	\$ 692	-\$1,383
	800 block State Retail	21,600 sq. ft.	\$ 8,635		\$3,456	
(3)	400 block State Retail, Hotel	21,400 sq. ft.	\$ 3,331	-\$ 5,304	\$ 456	-\$2,999
	800 block State Retail, Office	12,600 sq. ft.	\$26,603		\$7,536	
(4)	100 block State Hotel	12,700 sq. ft.	\$ 5,112	-\$21,491	\$1,258	-\$6,278

*The ratio of difference between the 800 block and lower State Street properties ranges from 1.57 to 1 in the second sampling to 7.6 to 1 in the third sampling. The total difference in revenue in the four samplings is \$41,857, based on assessment data for the current fiscal year

An interesting angle was that blight is found not in land of low market value. Rather, it is found in potentially prime property, land that in other communities would be considered first-class because of its nearness to the ocean.

Santa Barbara does not have an urban renewal program for several reasons. Not the least of them is the problem of image. We are known as a tourist area. Indeed, \$40 million of annual income is attributed to tourism—only slightly less than the amount generated by the research and development industries of Goleta Valley. So the question boils down to this: Why should a city which boasts of its resort attractions shatter its image by seeking Federal funds for urban renewal?

The city is a haven for retired folk. About 32 percent of our people are 65 years and older. They are chained to relatively fixed incomes, and urban renewal, with the spectre of property tax increases, meets with united opposition.

Third, people affected most by poor housing are in the minority, and consequently, politically powerless.

Fourth, Santa Barbara's housing problem is more acute than in other cities because land costs are about 20 percent higher than comparable cities, a cost reflected in rents beyond the economic capability of low-income people. Families at the poverty line, about \$3,000, should pay about one-quarter of their income for shelter, I am told. This translates to \$60 per month. Average low rents in Santa Barbara are \$85 to \$95 a month, according to a local poverty study.

Commercial and residential redevelopment are not only closely linked in terms of geography, but also because they form an ideal urban renewal package. Last May the city passed a workable program

for community improvement over vociferous objections by some fairly conservative elements in the community. The mayor, a building contractor by trade, cast the deciding vote. He defended it for the cost-plus aspects of projects such as moderate-income housing, the 221 (d) (3) program.

The newspaper, in its editorials, supported the workable program and urban renewal for social and humanitarian reasons, and, I suspect, because the *Santa Barbara News Press* is situated uncomfortably close to the blighted section of State Street.

Redeveloping lower State Street, according to bankers and realtors, is far more costly than purchasing vacant land farther up State Street. One of two things will happen, they say. Either open land will rise in price to equal the cost of redeveloping blighted downtown areas, or market considerations will be ignored and the downtown area improved with massive assistance from the Federal Government in the form of long-term, low-cost loans administered by the local redevelopment agency, which we don't have yet.

As part of a series of stories explaining urban renewal and related matters, I took a tour of the ghetto areas of Santa Barbara. I knew that many of our people lived in deplorable conditions, but to see these homes and talk with the tenants was a shocker because of the hazardous conditions I found in many of them—poor wiring, poor plumbing, and so forth—a long list.

The newspaper argued editorially that the city has an obligation either to enforce its codes or abandon its functions as purveyor of the public welfare. The dilemma is this: If the codes are enforced, many people will lose what inadequate shelter they now have. Urban renewal and leased housing, the newspaper said, are the answer. (There is one newspaper in town. That is also important, I think.)

How did these conditions develop? A key determinate was the property tax structure. Until last year, the city assessed property using two ratios. Land was assessed at 22.5 percent of market value. Improvements were assessed at 45 percent—double the ratio.

The city argued that, as a charter city, it had the right to "home rule" assessments and it was not bound by AB80, California's Uniform Assessment Law, which calls for a uniform assessment ratio not to exceed 25 percent of market value.

The effect of the old split assessment pattern was to encourage owners of bare land to leave it unimproved and watch the value spiral. A lot that sold in 1945 for \$500 today sells for easily \$8,000 to \$10,000. A side effect of this double tax standard, but equally important, was the effect on housing conditions. There was simply no incentive to improve the structure to meet the city's code standards because each improvement was slapped with a 45 percent assessment on the property tax rolls. Actually, the split assessment ratio resulted in an incentive to keep existing shacks on the land—an incentive in the sense that the shacks, while producing something like \$90 income per month, reduced the tax value of the land because it costs money

to remove the structure. The cost of removal was thus subtracted from the land value and so recorded on the tax roll.

Santa Barbara, last May, overwhelmingly approved a new city charter which corrected this condition. The new charter provides for the transfer to the county of the city's tax assessment function. The county is bound by AB80; thus property will be assessed uniformly this fiscal year at a ratio not to exceed 25 percent—and the county says today it will be about 22.9 percent.

Of Santa Barbara's 22,000 houses, about 2,500 are dilapidated, deteriorating, unsafe, or overcrowded. This is not an exaggeration. You drive through Santa Barbara and it looks like a wonderful place. But stop some time and take a look around. It's shocking. Code enforcement, a stipulation of the workable program, will begin with "good" areas in danger of falling below code standards. The newly launched leased housing program is designed to take the pressure off the demand for cheap rentals.

We have no public housing program except for Pilgrim Terrace, which is run by the County Housing Authority. These World War II Navy barracks buildings house 70 families on county welfare rolls.

The new leased housing program, also operated by the County Housing Authority, is designed to provide decent housing for 400 families. Two hundred of these will be elderly folk and two hundred will be other poor people. About 250 families in the South Coast area, which includes the area from Ellwood to Carpinteria, have applied, but only 30 property owners have offered their houses or apartments to the Housing Authority; and I am told most of these houses are below code, so they are not usable.

Another problem is this. It happened last Sunday. One family moved into a leased house, the first one in the city. The substandard home they left, however, was immediately rented to another family whose shack, in turn, was rented to a third family in similar dire straits—a housing bumping game.

Leased housing is not going over in a big way because high interest rates have put a damper on new construction, thus reducing the number of housing units available. Fair housing is another reason for the public's apathy toward the program. This is guaranteed, I take it, from the fact that the funds are provided through HUD, and it is required that the houses be open to all, regardless of race, color or creed. Creed is no problem, as far as Santa Barbara is concerned, but race and color are.

A survey by the Mayor's Advisory Committee on Human Relations revealed that about 99 percent of Santa Barbara's landlords refused to rent to Negroes. The study, assisted by the Catholic Human Relations Council, was the result of about 1,000 telephone calls to landlords advertising in the *News-Press*.

Opponents of urban renewal insist that private enterprise can handle the problem more efficiently than federally subsidized programs. Their answer lies, in effect, in spot rezoning or spot zoning.

Santa Barbara adopted a general plan in 1962, which is generally

adhered to. Last March, a group of local investors argued that the plan should be flexible. They had purchased a parcel of land, and as a condition of escrow, the land was to be rezoned from duplex to apartment use, R-2 to R-3. They maintained that zoning to a higher density would allow them to provide low-rent housing with a day care center for working mothers. Suggested rents were from \$125 for a two-bedroom apartment.

The Planning Commission denied the request and was supported by various local groups such as the NAACP [National Association for the Advancement of Colored People] and various committees. They held that \$125 is not low-cost, and questioned the developers' motives. What's to prevent them, they asked, from getting the land rezoned, then selling it for twice the purchase price, without doing a thing about low-cost housing? In other words, there are no ties to these projects once the land is rezoned. They are free to sell, and this has happened before in several cases in Santa Barbara.

This wrangle, resolved when the developers withdrew their proposal, illustrates another issue in Santa Barbara: Throw away the general plan and freely rezone at the developers' request, or abide by it and drive developers to outlying areas, or use Federal funds to rehabilitate areas found in zones marked for high density.

What is Santa Barbara doing about these problems?

Parking is considered to be the key problem confronting downtown businessmen. In the past year, \$6 million in bonds have been approved for the construction of two multilevel parking structures in the downtown area and three surface lots that can accommodate parking structures as demand increases. Of this amount, \$1 million worth of bonds has been sold. When completed in two years, Parking District No. 2 will have 1,050 stalls. Parking District No. 1, completed two years ago, has four surface lots, at a cost of \$2,350,000. It provides 520 parking spaces.

Bonds are assessed to the merchants on a benefit zone basis. The parking structures are designed to blend in with the predominantly red-tiled, white-walled Spanish architecture, which is the dominant theme in Santa Barbara.

In addition to parking districts, the city also plans to remove parking on State Street and create a semi-mall. But this is only in the talking stage so far. There are, as yet, no plans to correct the deteriorating of State Street below the 800 block to the ocean. The Mayor's Advisory Committee on Housing and Urban Improvement has requested state aid in a survey of lower State Street and the abutting residential properties of the lower east and west side. The request is still on the mayor's desk.

The Planning Department says that lower State Street, the blighted residential areas, the crosstown freeway, and harbor improvement plans should be linked in one comprehensive, coordinated, plan.

Last May, while the voters passed the new City Charter, they rejected by a 2-to-1 vote a \$1.5 million harbor bond issue. The freeway controversy still rages. Should it be elevated as the state wishes, or

depressed as the city council desires? No redevelopment projects are yet in sight to answer the problem of urban and residential decay. In other words, there remains much to be done in our city. But most of our citizens are more interested in their immediate concern; namely, protecting to the bitter end the city's low property tax rate and keeping the dollar amount to a minimum.

MR. EHRENKRANTZ: Thank you very much, Mr. Sluis.

The next speaker this afternoon is Mr. John E. Hirten,¹ Executive Director of SPUR, the San Francisco Planning and Urban Renewal Association, since 1960. Mr. Hirten.

STATEMENT BY JOHN HIRTEN

MR. HIRTEN: Mr. Chairman, and members of the Commission. The more I hear from the speakers, the more I feel concerned with what I am not saying rather than with what I am saying. I would like to presume that I am picking up from where Mr. Glazer left off this noon, but saying it in different terms and probably less articulately than he.

I have given you a folder including SPUR material—in addition to my talk—because I will make some reference to citizen education at the end of my comments.

I am not confining my remarks solely to ideas on low-cost housing, because I feel that the low-cost housing problem is definitely related to local municipal government, and I will treat them together in my remarks.

I am pleased to have this opportunity, and I plan to touch briefly on three major points: (1) the role of local government in the planning and developing of our future cities; (2) the best immediate solution to housing for low-income families; and (3) the need for an effective program of citizen education. I am also deeply concerned with the relationship of housing to regional development, and in listening to the speakers this morning I think you have some idea of the implications in this area. But in my remarks I want to emphasize the role of local government within this regional complex on the assumption that the level of accomplishment in the region will rise simultaneously with the level of performance of each local government—or should.

Our cities are facing a crisis of obsolescence. Yet by the year 1980, eight out of ten Americans will live in cities and in the high-density urban areas surrounding them. In contrast to the environment of rural areas favored with natural amenities, the environment of urban areas will be principally man-made, and their character will depend on man's ability to design all the parts which make up their physical shape and form. This will include everything from buildings and

¹ City planner and urban renewalist. Experience in Iran and in United States—Little Rock, Arkansas, Napa County, California, Stockton. Fifteen-year member of American Institute of Planners.

groups of buildings, freeways and schools, and even street signs and lighting. Thus, future urban areas will reflect our success or failure to mobilize public and private talent and resources in efforts to design a viable environment.

In reference to environment, I mean total environment, including the function as well as the appearance.

It has been said that if cities and the buildings in them are ugly, it is because the average person knows no better and cares little. Certainly for that segment of society whose first concern is having a decent job, a place to live, and food to eat, the seemingly more sophisticated issue of good design in our cities seems remote and unimportant. Yet, for these persons, a decent urban environment is even more important, because of their inability to escape from their immediate surroundings.

The need to design properly all parts of our urban community has become better understood as we have become aware of the enormous social and financial costs of blight and subsequent urban redevelopment. This great urban crisis, coupled with the flight to the suburbs, has many origins, but certainly stems from our failure to create and maintain a decent environment equally in all sections of our cities.

In spite of Mr. Glazer's comments today, there is clear evidence that in any city, particularly in ours, the streets are better paved in the better areas, the lighting is better maintained, the refuse collection is better, and on down the line—not equally in each section of the city but better in the better sections.

Badly designed and obsolete housing, strip commercial, gaudy, competitive signs, insufficient parks and open spaces, overcrowded office building sites, insensitive street signs and furniture, poorly designed highway routes and structures, insufficient or no landscaping, poor lighting, and inadequately designed community facilities, and stripped-down, ugly public housing, are some of the mistakes of the past which are plaguing us today.

When we talk about the shift to the suburbs and about who is staying in the cities, we seem to ignore the question of why anybody would want to stay in the city. We seem to be criticizing those people for fleeing (for in many respects there are less adequate environments and possibilities) yet the fact is—who wants to live in the city? One almost wonders if the United States, as a matter of national policy, assumes cities were not to be lived in, unless, of course, no one had a choice. But growth, which gave the United States wealth, also brought the great urban crisis, and a social revolution which invites all men to enjoy an environment previously available to a few. Slums and unattractive neighborhoods are simply no longer acceptable, but soon will no longer be marketable. Cities are competitive not only for employment but for quality living.

Ladies and gentlemen, I am deeply concerned with the question of the city tomorrow, because as an optimist I believe we will solve and overcome many of our social problems. The history of the

United States reflects this. But what will we have left in these urban areas? What will we have there worth living in?

Let anyone doubt that cities are becoming competitive, not only for employment but quality living, watch the migration—no longer just for jobs in San Francisco, but for retirement, for climate, for good living, and just for fun. Typical are the hippies in San Francisco and the retirement population in Santa Barbara.

Thus it seems to me we must turn our attention to the task of creating pleasant and enjoyable conditions in our cities so the impulsive urge to flee to the suburbs will subside, and the social, cultural, and economic benefits for remaining will be obvious and compelling. This is my interpretation of social planning.

Why should we simply say that the city is only left for the social desirables? Isn't there some merit in designing, developing, and creating an urban center which would be so compelling that it will not be a vacuum into which the social undesirables simply slip? But who must assume this leadership?

Local Government: Chief Mechanism for Development

It is my belief that the overriding purpose of municipal government is to direct this process and produce an urban situation worthy of future civilization. So we need to change the concept of local government from negative to positive. We need to recognize that it is the mechanism closest to the problem, and that it needs the money, the talent, and the commitment to do the job. It also needs the moral as well as financial support of the Federal government.

Historically, magnificent buildings and community projects were generally traced to powerful despots. Popes and kings commissioned talented architects, builders, and artists to create projects without hamstringing them with financial limitations or citizen committees. Today the public and private planner, the designer and the builder, are confronted with limiting financial criteria, and each must satisfy a collective client of directors or committee members representing the public.

The time is passing when control of major development projects, whether private or public, rests in the hands of one person.

In San Francisco we no longer have a strong personal corporate ownership relationship since the passing of J. D. Zellerbach, who was the founder and head of Crown-Zellerbach. The corporation now is an undefinable nonentity. It doesn't make decisions through the will of one man.

The government council or committee and the corporation board or stockholder is the new decision maker. Therefore the need in this and coming decades is to educate these collective decision makers and the public they represent, to decide in favor of quality environment, to decide in favor of progressive and effective government, to bring it about, and to recognize that local government, in spite of so-called limitations, must first—not last—assume the responsibility.

This means two things—better local government and better understanding by our citizens of the real purpose of local government.

You will hear from most other speakers that the answer to our urban problems is simply more Federal money. Certainly we need all we can get. But I wonder whether most local governments would really know what to do with it if they got it.

Mr. Glazer pointed this out beautifully. My thesis is: Let's make the programs work that we have and stop creating new programs and legislation before we even finish making the first ones work.

Our cities grew in response to specific needs—one department after another—police protection, water service, streets, schools and refuse disposal. Today, most cities are a collection of unilaterally functioning departments. They are little empires within themselves just as the Federal government tends to be.

The city planning function arrived almost last, after all other activities had become securely bedded in bureaucracy with their own independent way of doing things. To compound the problem, Federal aid came, not to the cities, but through new, special agencies like Redevelopment, Public Housing, OEO, and Public Roads. Is it any wonder our city planning programs are not more effective?

This morning I received in the mail a booklet that was, by measure, two inches thick, and it was entitled something like "Federal Aid Programs to Local Communities." Is there not some way of pooling all these programs together?

First of all, public education about the purpose and role of municipal government is needed. Historically, taxes, dating back to the Middle Ages, have been viewed as a penalty. Local government, for this and other reasons, was and still is principally viewed as a necessary evil. The time has come to change both the image and the fact. We should begin to view local government as a huge public corporation established to serve one overriding purpose—to create an urban situation which is viable, attractive, desirable, and in which people can live, work, play, and learn in an environment second to none. The creation of this environment, in its totality, would be the principal function of this public corporation. Thus the citizens would be the stockholders and choose their board of directors or city council and chief executive officer, whose performance would be judged by progress made toward achieving the agreed-upon goals. The burden of taxes on the taxpayer, now called a shareholder, would be exchanged for a share in the new urban plant to be created by the public corporation. Annual charges for noncapital investment activities would relate to services rendered and might be paid monthly like other utility bills. The shareholder-citizen would then become more interested and knowledgeable about annual budgets and capital improvement programs. With it would come greater citizen responsibility and a stronger personal commitment to the city.

Essentially, I am saying that local government must become the instrument for achieving a better life, and the Federal and state

governments should, as a matter of policy, frame their assistance programs to reinforce this local commitment.

I think you have probably heard in every city, and will continue to hear, the deep concern over the need for Federal assistance, on the one hand, and the reluctance because of the interference, on the other, no matter how sincere and how well meaning, on the part of the Federal bureaucrats.

The so-called model cities program is a good example. The initial call for innovation and organization required that neighborhood residents plan and run their own programs.

Again Mr. Glazer made his point and I concur wholeheartedly. We have 1,070 members in SPUR today and maybe we can increase that deep interest in city affairs many-fold. But not everybody in a city wants to participate in this. People want jobs. They want education, and they want a decent place to live in a pleasant environment and are more than willing to turn the job over to some local government.

This idea of local participation and planning in model cities had a fine idealistic ring. But in spite of the current popularity of this approach it runs counter to good administrative practices and to a comprehensive approach toward fiscal and technical planning, and programming on a city-wide basis—the very thing we are all trying to achieve.

Why fractionalize our efforts further? The idea of limiting the model cities program to one section of our city should be discarded. What a model cities program should do is offer large, lump-sum, and maybe one-shot grants, to encourage cities to pull together their various departments and agencies in a city-wide renewal approach that was originally implied in the Community Renewal Program (CRP). I don't know whether this Commission dealt with this, but those of us interested in community planning have watched the evolution from public housing to slum clearance, to urban renewal, to redevelopment, to community renewal programs, to the workable program, and now to the model cities program.

It seems to me we made a stab two years ago and now we are charging ahead trying to get the money for the model cities program. If we don't do it we will feel like naughty boys because we didn't go to the Federal Government and get the money.

Model cities legislation should not be a new program but simply a new effort to make the old ones work better. The name itself, "Model City," defines the goal and should define the program. A city concentrating millions of dollars into only one section of its city, when the future of the whole city is at stake, would hardly be model.

I recommend that the Federal government reappraise its historic role of giving aid to cities on a piecemeal basis. Instead, a program of technical and financial aid should be designed to encourage and almost force local governments to organize their resources into coordinated, more purposeful, and more effective programs of rebuilding, with a deeper concern for the total end product. The workable

program concept should be replaced by a semi-annual development program reviewed in nonmayoralty election years. Grants should be given on a semi-annual basis and not earmarked for specific projects, but made subject to the development program review.

No Present Substitute for Public Housing

Regarding housing for low-income families, I believe there is no present substitute for public housing.

Again, I am directing myself not to middle-income housing but low-income housing, and I am expressing some concern as a professional directly working in this field for about 12 years. I feel that private industry could build this housing and probably do a better, faster and more attractive job. But the fact of the matter is, a public housing program could supply areas with good housing, in my judgment, at this time—and I will probably be proven wrong—and this is the only real way of solving that problem of people who just can't afford private market housing.

However, the policy of using this program simply to supply X number of low-cost units has proved a failure. Consequently, most communities are reluctant to permit construction of more units. Here again the single purpose approach has hurt us. This is not simply a matter of permitting more freedom on cost limitations, as some will argue. It goes back to the initial policy of using this program for housing only, without reference to overall city goals. We need to relate this activity to our total effort, to rebuild our cities in a viable form. Thus we should not build a 10- or 15-story public housing project in an area of only 3-story buildings, regardless of the unit cost. The housing should be built to conform with the expectation of that district as a first-class neighborhood. Under these terms we could get public housing for families and the elderly in good neighborhoods, as our recent Laguna Honda housing has demonstrated.

Once again I recommend reconsideration of the current limitations on public housing, and urge a transfer of control to the local government, with greater Federal review of the cities' overall policy and less administrative nit-picking.

Until we had a new director of the public housing program here in San Francisco, we went through about six years wherein whatever weak action the Housing Authority took was blamed on the restrictions of the PHA program. Maybe it was true, maybe not. But essentially this was also played back to the local community: We can't do it because of PHA.

The housing authority concept should be reconsidered to make the program more responsive to local needs than to Federal regulations. I also recommend the Federal government encourage experimentation in high-density construction using mobile home components, primarily as an incentive for temporary relocation housing.

I am concerned that in response to a plea for better public housing people will say, we can't wait. We can't do it. Why not mobile home

components? We know we can do it. We can produce at mass scale if we can get them stacked or organized in some way, and at least break some of the code barriers and get into fast housing for relocation.

Finance Citizen Organizations

Lastly, citizen education. In order to have our local governments respond to this call to arms with the necessary political courage, we need to make a greatly increased effort to educate the public regarding local governments' potential in solving our urban problems. Private organizations like SPUR have traditionally turned to civic leaders and private corporations for financial support. We, like others, have been reluctant to take money from public agencies because we fear the loss of freedom of action or words so essential to our objectivity—at least what we think is objective.

However, we need more money to do the job. In spite of our attractive brochures and, I hope, effective performance in some areas, we have a total of only five employees, two of whom are professionally trained. Our limited financial support comes from dues of 1,050 members and from business contributions. We are particularly fortunate in San Francisco to have 18 corporations who operate as a group known as the Blyth-Zellerbach Committee, who collectively give us a grant each year, without any strings attached. This leads me to my recommendation.

I am referring to SPUR. The City of Oakland, Berkeley, County of Marin, and a number of cities, including San Jose, have asked SPUR: How can we form a citizen organization? When you get to how much money is needed, they fall apart.

Why not establish educational grants from HUD or HEW to local qualified citizen groups with no strings attached, on a matching basis against local grants and, under the same terms as other matching grants? The total amount of money in proportion to urban renewal grants would be infinitesimal. The benefits, however, would be not only substantial, but without them most city rebuilding would grind to a halt or fall short of established goals. No one can doubt that, in this day and age, even the best cause can be lost without the enthusiastic support of the people.

In summary, I say, make the programs work that we already have. Group responsibility and discretion at the local level. Keep the program simple and don't forget citizen education regarding the purposes of this whole program.

MR. EHRENKRANTZ: We started about half an hour behind schedule, so I think we will go right in to the question period. Mrs. Smith, could you lead off?

QUESTIONS BY COMMISSION MEMBERS

MRS. SMITH: *I have too many questions. I think I am going to forego them so we can get finished.*

MR. VANDERGRIFF: *Mr. Sluis, I ask your forgiveness, but have you told us whether you had urban renewal or not? I didn't understand.*

MR. SLUIS: No, we don't. We began work on the program two months ago. We are at the survey stage right now.

Poverty Participation in Policy Making

MR. VANDERGRIFF: *I would be particularly interested then in the thoughts you have, Mr. Hirten, in terms of the poverty areas participating in devising a policy. You seem to be rather disillusioned in this regard. Would you expand upon this?*

MR. HIRTEN: Well, from my experience in working with the citizens in the area of the city, the first problem stems from the lack of confidence that these poverty areas have in municipal government's giving attention to their problems. I really have watched it. I don't think you can take people who have an overpowering need to earn a living and have good housing, and ask them to spend the time or have the technical background to sit on a day-to-day basis planning their neighborhood. I think this is faddism at this time.

It is popular to say, "Let the poor participate." This has happened primarily because of the failure of municipal government in the past to give any real attention or to demonstrate that they would really pump any significant capital works into these areas.

MR. VANDERGRIFF: *Would you care to comment on this point, Mrs. Holliway?*

MRS. HOLLIWAY: I am inclined to agree with Mr. Hirten. Our experience with this type of program has been that it has been used mostly to attack our programs rather than actual constructive thinking and planning with the low-income group.

MR. VANDERGRIFF: *I see. From your experience, Mr. Sluis, evidently you have studied these poverty-stricken areas in depth and have come in very close contact with these people who are disadvantaged. What is your feeling in this regard?*

MR. SLUIS: As to what to do?

MR. VANDERGRIFF: *As to the merits of their participation—as to how active a force you believe they can be.*

MR. SLUIS: I agree with the gentleman to my right. It is probably faddism to think the poor will become actively involved in their plight. At one point last fall, as an example, the Community for New Politics began with Stanley Shoeingbaum as its head. That was his point. We have programs for the poor and uneducated, programs for the minority groups, and where are they? They are not at the meetings. They are all solid, middle-class, bourgeois people, in his words, who were concerned. But they don't have a way or an avenue or education to do it. I don't know what the answer to the problem is, but I agree.

MR. HIRTEN May I add one point to that?

I think the poor have a deep concern for being politically disen-

franchised, and they have a real need and a desire to be involved in the community as a political entity of the community with equal weight.

I think, secondly, that the feeling for the desire for home ownership in some of these areas is identifying this political influence with home ownership. As the people told Mr. Weaver when he was out here last week, "We primarily want ownership housing at Hunter's Point as a matter of social need." There was a little argument between Mr. Weaver and the local group which was quite interesting. When Mr. Weaver made the point, "Well, home ownership will bring more problems than you think. You can't get as much housing, et cetera, et cetera." Their answer was, "Well, that's less important than the basic social implications of owning and being an owner, and then we will have influence at City Hall and be heard." So this was confusing the need for political recognition with the need to participate in neighborhood planning. That is my point.

The EOC [Economic Opportunity Program] has organized neighborhoods to be political blocks, which I think has some merit. But I think that when it interferes with the tremendously complex problems of rebuilding a city, we are setting it in the wrong direction. Those who have been in the redevelopment business keep wondering why it is they get saddled with this political problem, when it is a citywide problem. Aren't there other means rather than organizing to prevent redevelopment in a given neighborhood, which is essentially what happens?

Need for Social Services in Public Housing

MR. WOODBURY: *Mrs. Holliway, in the early part of your statement you had a phrase to the effect that you and your Authority do not consider bricks and four walls enough—enough, that is, to deal with the problems of slum and low-income housing. This may be taken, I think, as having at least two meanings. One is that you see the need for somebody else, somewhere, somehow, to deal with the social problems. Another meaning is that maybe the management operation of the Housing Authority has some responsibility in respect to those social problems. Would you care to comment on that?*

MRS. HOLLIWAY: Yes. I feel that we recognize the fact that just providing a safe and decent house for families of low income is not enough. There are other things that come into it, other social problems. However, because of limitations on staff, the Housing Authority is not able to cope with this. So I didn't go into the details of social problems within a project, but there are many needs. There is the well-baby care, education as far as housekeeping is concerned, recreation—many things that go into it—and we recognize this problem. But we are at a loss to do anything about it because, as far as our Authority is concerned, we have never been permitted a tenant relations staff member.

MR. WOODBURY: *Would you be in favor of being allowed to have staff of that sort?*

MRS. HOLLIWAY: Yes. I think it would be a good idea because it would ease so many of the problems that the tenants have today. Our management problems would be a lot easier if we didn't have to deal with the police problems or child-care problems or child neglect. If we had someone on the staff who could direct these people and give proper guidance—but the way we are staffed now, we don't have anyone to do this. I think it is a very essential portion of our staffing to have someone in this field, because you can take people with problems and put them in a fabulous home and those problems are still there, and we are doing nothing except providing a decent house that maybe they can't take care of or use properly.

MR. WOODBURY: *Mr. Sluis, you said something to the effect that the leasing program may be taking some of the pressure off in certain circumstances. What would you think of this argument: the leasing program does not increase the amount of housing supply in the locality; therefore, if the housing authority leases property and turns it over under various kinds of arrangements for low-income families, this must mean that the higher-income families have to go somewhere else. To the extent this is encouraged by providing a market for their property, you are simply increasing the economic segregation in the community.*

MR. SLUIS: I agree it doesn't increase the number of—

MR. WOODBURY: *I am not suggesting that this is a fatal error. But so often we have heard that with the leasing program you don't have the concentration of low-income families that you have in housing projects. It seems to me if leasing went ahead on a substantial scale and concentrated in the older areas—and that is where the property is going to be available—it seems to me it may have almost as much of a concentrating effect as the traditional type of public housing. I wondered whether, in your very interesting study and outlook on things in Santa Barbara, that this occurred to you.*

MR. SLUIS: It is one of the puzzles in Santa Barbara. The opponents of the workable program used leased housing as an argument. In other words, they said, "We have a leased housing program. Let's not turn to urban renewal."

But, as you say, it doesn't increase the number of housing units available. And what has happened so far in Santa Barbara is that it is a bad market right now. You can't sell a house and you don't build houses. It might be a good program in a time of high-vacancy factors, but right now there is very low vacancy. So there are few people who volunteer the properties, and of those who do there are at best two or three that have houses that are acceptable. And some people who plan to move out of town and can't sell right now may lease their properties to the housing authority. But this doesn't add to the total number of units.

Riddle of Public Participation in Planning

MR. WOODBURY: *Mr. Hirten, I am concerned with the public participation. I think one way of getting at it is to look at the other types of public programs that have experimented with this. Would you rank the PTA programs, which developed over the years in the public schools of the Nation, as a failure in Mr. Glazer's terms? Would you want to see it given up? Isn't this a reasonable analogy to public participation in local development and planning?*

MR. HIRTEN: With respect to the PTA, I know that in this city, for example, there had to be formed a city-wide citizen group comparable to our own but interested in education, to put pressure on the Board of Education generally to bring about some innovative changes at the policy level. The PTA was not effective this way. The PTA became deeply concerned with their own particular school program. In a sort of elementary way, it is not exactly a good example, but it does have comparability.

I think when we talked about turning over a section of the city to the residents in that area—for example, MCOR, (a group formed in the Mission District)—they wanted the right to pore over the redevelopment plan. This sounded fine, because redevelopment was dealing with that area and I would say, let those people have freedom to pore over the plan. But it raised serious problems for those interested in democracy. One: Who selected that committee? They were self-appointed. Second: What relationship did they have to the existing political structure? None. Thirdly: Why, for those who have an interest in the community, in the total city, should we turn over a major section of the city to one self-appointed group of so-called citizens in that area to determine the destiny of that section, when it relates to everything else that is going on in this city? Though I don't know what the exact solution is, I think one way is through citywide education about the role of city organizations like SPUR, dealing with each neighborhood of the city, and then I think some area work like EOC is doing would be useful.

I would almost say that the poverty point should be deemphasized. In the Hunter's Point area, you might be surprised to know there is quite a group of Negro people who have found it a place where they can buy a home and get started. They feel they are being pushed out of the picture by the EOC leadership. Even when we had a meeting with Dr. Weaver, and people went around the table—I don't mean to be downgrading anybody—but I would say there were only three out of about fifteen people who introduced themselves as citizens. The others were either working for EOC or the San Francisco Redevelopment Agency.

MR. WOODBURY: *Thank you. I want to refrain from making a speech. I would agree there is much talk about public participation these days. Much of it is just words. It is a slogan. But it seems to me there are all sorts of ways of doing this. And certainly, I think, we have not exhausted all of the possible meanings or forms of public*

participation. My warning—and it is not more than a warning—is that there are other ways of participating than letting a high degree of detail and technical questions become the responsibility of so-called citizens.

MR. O'NEILL: *Mr. Sluis, I have a science fiction question for you. What would happen if suddenly there was no zoning at all in Santa Barbara?*

MR. SLUIS: No zoning?

MR. O'NEILL: *Yes. Suddenly.*

MR. SLUIS: We would just build all over the place. We would build high-rise. We would put up apartment units. Scatter all over. It would be a hodge-podge. In other words, for awhile, until everybody looked at what happened and decided, "Now let's have some planning." We react to circumstance. We don't plan ahead.

I hate to be knocking my own town here. The Chamber of Commerce, if they heard me, would probably run me out of town. But these are problems.

MR. O'NEILL: *What would happen to the land down by the water?*

MR. SLUIS: We would have a concession. We would have people with hot dog stands. We would have the whole bit and just rampant capitalism.

MR. O'NEILL: *Such as in Atlantic City?*

MR. SLUIS: Let me say that the reason Santa Barbara is as attractive and relatively well planned as it is now is that we had people like T. M. Stower and his family who had been there for several generations. They are the ones who have sort of ridden herd on this thing. After the earthquake in 1922 they had a general plan to reconstruct the town in Spanish architecture, et cetera. The old generation is dying out and developers are coming in now.

MR. DOUGLAS: *I would like to ask Mrs. Holliway to tell us what she is referring to in her prepared statement when she says: "A particular problem in the past couple of years has been the tendency of programs designed to assist the low-income families to combat, or at least cope with, abuses of slum landlords to be directed instead against programs of local housing authorities who are making a sincere effort to service the housing needs of such families with decent, safe and sanitary housing at rents within the families' income." Then you said we should not offer the assistance of Federal support for one program being used to combat the efforts of another federally-supported program.*

That is interesting and I wonder what you mean?

MRS. HOLLIWAY: I am referring to a Community Action Program under the Economic Opportunity Program.

MR. DOUGLAS: *Have they been raising Cain with you?*

MRS. HOLLIWAY: They have been raising Cain with every housing authority.

MR. DOUGLAS: *What are the charges which they make against you?*

MRS. HOLLIWAY: Poor maintenance, discrimination.

MR. DOUGLAS: *Is that true?*

MRS. HOLLIWAY: It is not true. No, sir.

MR. DOUGLAS: *Go ahead.*

MRS. HOLLIWAY: All of the charges are made—how shall I put it? They excite the tenants to the point where the tenants all of a sudden think, "Well, gee, you have been a big monster all these years." And it works up a real difficult situation for the Housing Authority when you are trying to do things for the tenants. You explain to the tenants that you have to meet your operating costs from your rents. I would love to give them all an electric stove and wire the house for 220, but I can't. I think, as Mr. Hirten said, they have built a political bloc, which is all right if this is what they want to do. But on the other hand, don't destroy something that is there working for them also. They are federally subsidized and so are we.

MR. DOUGLAS: *It is always a sad experience for a public official to be criticized. It wounds one's feelings that people are ungrateful. But isn't it good to be subject to criticism?*

MRS. HOLLIWAY: We don't object to constructive criticism.

MR. DOUGLAS: *To constructive criticism. But isn't there a tendency of public officials to think criticism is destructive?*

MRS. HOLLIWAY: No, I don't think so.

MR. DOUGLAS: *Isn't it a good thing for the public to be able to criticize? I remember once being in a German city, and someone came in to talk to the burgomaster. He was apologizing before he got into the room and bowing and scraping. He mumbled some complaint and went out because he was sort of ashamed at questioning this man who had a great deal of prestige. I thought that was a pitiable thing. I think one of the first things public officials must learn is that they must take it. Harry Truman had a good phrase: "If you can't stand the heat, get out of the kitchen."*

MRS. HOLLIWAY: I agree with you, Senator Douglas, but I will give you a specific example. We had a tenant who owed three months' rent. We had been after her. We filed eviction proceedings, because if you let one tenant live free they should all live free. The minute we filed the eviction suit we had the Community Action organization on our back. These are the specific examples that I am talking about. They should educate these people. They are getting welfare and they should pay their rent and meet their obligations and responsibilities. They have responsibilities to us as we have to them.

MR. DOUGLAS: *But if you publish those facts, public opinion will back you up. If people have been in default for three months, that is true, is it not?*

MRS. HOLLIWAY: We haven't gotten any points yet. This is the reason we also mentioned in our statement that there should be some revision of the Federal law so that payments could be made direct to landlords and you wouldn't have these problems.

MR. DOUGLAS: *Well, move to the point of public officials. They are not going to be criticized?*

MRS. HOLLIWAY: That is part of our democracy. We do expect to be criticized.

MR. DOUGLAS: *Well, I will ask this question: Do you think there is an organized movement to build up captious criticisms in order to destroy existing institutions, or is it more or less overflow of people who have particular grievances?*

MRS. HOLLIWAY: I think it is misdirected efforts. I don't think there is an organized move to overthrow—I think it is just people, probably even at high or upper levels of the Community Action Programs. They are going to jump right in and be big heroes.

MR. DOUGLAS: *Forgive me if I say that, even if that is true, don't worry too much.*

MR. DEGROVE: *Mrs. Holliway, we have a peculiar insitution in Florida called the Local Option Liquor Law where we vote county by county as to whether we can drink or not. Do I take it you do the same thing in public housing?*

MRS. HOLLIWAY: Right.

MR. DEGROVE: *I am curious about that a little bit. Is there something that might be called a state association of housing project administrators? Do you get to go and meet with your counterparts in the state?*

MRS. HOLLIWAY: Well, we have the Pacific Southwest Regional Council of the National Association of Housing and Redevelopment Officials. However, we are not a political or lobbying organization.

MR. DEGROVE: *I understand. Do you communicate with your counterparts throughout the state fairly regularly?*

MRS. HOLLIWAY: Yes.

MR. DEGROVE: *Do you have any data on how many referenda have been held on the question of expanding housing authorities in the State, and the percentage of success?*

MRS. HOLLIWAY: Well, Oakland and San Francisco were fortunate recently. I think in November Oakland won a referendum for 2,500 units.

MR. DEGROVE: *I was going to say maybe you could borrow—*

MRS. HOLLIWAY: I heard the comment made that people confused this with the leased housing program,¹ and that is why it went over so big. I think the experience has been that referendums for housing for the elderly are usually won. There have been no problems on those, but for family units it is difficult.

MR. DEGROVE: *You mean it is that specific, the referendum? It is drawn in such a way you have to say exactly what kind of units you will build?*

MRS. HOLLIWAY: We did in Richmond in order to win. We said it was going to be for the elderly.

MR. DEGROVE: *Do you typically win or lose across the state?*

MRS. HOLLIWAY: I think it is about half and half. John [Hirten] probably can bear that out.

MR. DEGROVE: *Thank you very much.*

Mr. Hirten, I believe you mentioned a problem of taking so long

¹See footnote, page 142.

to get a public housing project developed. Maybe it was Mrs. Holliway. But has the turnkey program been used at all in California?

MRS. HOLLIWAY: The turnkey can't be used because we have to have a referendum. But I don't think anybody has applied under the turnkey. Not to my knowledge, unless it has been done in the past few months.

MR. DEGROVE: *Have you had any data on the mobile homes component idea? Is there anywhere that has been tried?*

MR. HIRTEN: We have talked a lot about it, particularly as a result of the development of Habitat¹ and the idea of using similar structures. Mr. Ehrenkrantz is an expert in this area of prefab and he might know better than I that the highest production of housing in California is in the field of mobile homes. For this reason some of us think it is simply a matter of design—if certain stipulations were made, certain criteria, with steps established so that the manufacturer could produce a particular kind of housing we need.

We have, for example, an expansion unit which is built in two segments, and either squashed together like an accordion or shipped down the road in two pieces. When it is finished it is about a 900 square-foot unit, sometimes completely furnished, brought up, and placed on the site. So there is some feeling that this might be done. They have built new industrial office buildings in Palo Alto, all of components.

MR. DEGROVE: *Assuming this would be cheaper than on-site housing construction costs?*

MR. HIRTEN: Well, ultimately it could be, provided codes could be resolved locally. But it is a matter of mass production, new techniques and material, and it has possibilities.

MR. JOHNSON: *I have two quick observations that you may care to comment on. One of them is with respect to citizen participation. It seems to me any kind of professional person doing a job for someone, whether surgeon or dentist or lawyer, has to engage in some kind of significant dialogue with his clients before he goes to work on a job. He doesn't expect the client to solve the problem, but certainly he has to at least ask the patient, in the case of the dentist, which tooth hurts.*

The other comment, which is quite different, is with respect to the social worker who could be hired by housing authorities to deal with tenants. I have observed that at least one of the things that tended to keep people out of public housing was the fact that they were afraid someone would tell them exactly how to live once they moved into it. The tenants had to accept that kind of scrutiny and control as a price for better, cleaner housing.

I would like to ask Mrs. Holliway specifically about the number of

¹Twelve-story prefabricated pyramid dwelling built as a demonstration at Montreal's Expo '67 from design and under direction of Mosche Safdie, Israeli-born architect. The technological objective of this housing "system" was to test mass production of repetitive elements, avoiding monotony. In terms of sociological objective, the idea of the cluster-housing was to provide a sense of community, yet not sacrificing space and privacy within the individual dwellings.

units in the Richmond Housing Authority, the number of people on the waiting lists, and for what kind of apartments they are waiting?

MRS. HOLLIWAY: With respect to your comment on social workers, I don't mean a social worker in the sense of that type of person, and I don't believe we should tell the tenants what to do. She or he would not be used with all of the tenants, but where you do have a problem family. You would have someone you could send out and try to straighten out the problems or refer them to the proper agency for assistance.

The Housing Authority operates 650 units. We have 500 family units and 150 elderly.

What was your other question?

MR. JOHNSON: *How many people are waiting to get in?*

MRS. HOLLIWAY: We have a waiting list of approximately 400 families, and most of them are for large-size units. We have 22 families in our present housing that should be living in four-bedroom units. Of our 500 family units we have only 20 four-bedroom units. A lot of people ask about that, but you can't really give a good picture because a lot of people who are obviously qualified will not file an application if you have nothing for immediate housing. So they don't bother to file. But we do have a waiting list of about 400.

MR. JOHNSON: *I asked my question because in some places they can't seem to be able to fill the units they have.*

MRS. HOLLIWAY: No, our units are filled as soon as we get them ready for occupancy after a vacate.

MR. HIRTEN: May I make a comment on something, Mr. Chairman?

Somewhat facetiously—I make a living criticizing public officials. So I think this is part of the game, Senator Douglas. And I think it is true that because of this criticism—constructive criticism as we think of it on the giving end and destructive on the receiving end—the level of performance (and I believe I can prove it in a couple of cases) has increased. For example, we now have a director of the housing authority in San Francisco who is changing the nature and character of the program as the result of pressure by some to get new leadership in the housing authority. That is part talk, but it is true. I think that this was the essence of my comment that to broaden the educational base in the community we have to do more. It is totally overlooked. The workable program requires citizen participation; but it is assumed it is all on a voluntary basis.

Now the EOC comes along—I might add I am a member of the local council—and it did do some very imaginative work. It got off the deep end in some areas, but it is working. But I think the criticism Mrs. Holliway is talking about, which is pointed and uses scapegoats, is not very productive. The various neighborhoods of the city and the people in them who are interested do need some kind of an educational program.

With respect to Professor Woodbury's point, I believe very much in this whole idea of citizen participation. But there is a difference between citizen education and citizen participation and discussion in

terms of the planner. Any good planner talks to the client. For example, I am very concerned with the whole Model City concept—the original one—which assumed that some section of the city should be permitted to go over in the corner and work out its own problems, including how to use the money of the city. I think we are going to have serious problems one of these days with respect to an already weak (but at least growing stronger) local democratic process. Maybe our city councils aren't good enough, but it seems to me we can build in a citizen participation vehicle which would not violate this very essential process that I personally feel is needed. The local government in San Francisco is spending \$420 million a year right now. What are we getting for it? So we get \$20 million from the Federal Government. So what? All it is, is supplementary. We are only talking about \$20 or \$30 million in the Mission District. Yet we almost have a revolution. This is where the Federal Government has to give serious reconsideration, that this be an important annual expenditure—not once in awhile, but annually. The citizens involved should be limited to a strong advisory role, and not take over the power from the government.

MR. EHRENKRANTZ: I would like to give over my time in questioning to Mr. DeStefano of the Commission's staff who has some questions he would like to ask.

MR. DESTEFANO: *Mrs. Holliway, I remember 10 years ago you made a plea to do something with the then public housing authority to permit you to put on more social service workers, because at the time you had, I believe, one-and-a-half full time and part-time social workers given to you by the welfare department. I can see in 10 years we haven't made any progress. What do you suggest we can do with the present public housing formula to permit that formula not only to allow you to cover your operating and overhead costs, but also to staff the necessary social services? What can be done to make your operation something more than just merely providing shelter and to deal with some of the human problems that you necessarily have to face in housing what are called problem families?*

MRS. HOLLIWAY: We were never assigned any social workers. As I mentioned in my statement, I think some consideration should be given housing authorities to have supplemental contributions as are made available for the elderly now. I think also some consideration should be given where funds would be available to housing authorities for upgrading their older projects. There were many projects built in 1940, 1941, and 1942 that were quite standard at the time, but are not standard today. I think that funds should be made available to housing authorities for this purpose rather than coming out of contributions.

MR. DESTEFANO: *Then I take it what you are telling us is that the ACC—the annual contributions contract¹—doesn't permit even the*

¹Contract between the Federal Government and the local housing agency providing for Federal loans for project development costs, and for annual Federal contributions to assist in maintaining the project's low-income character.

expenditures necessary to cover the obsolescence of projects that have been in existence 15, 20, 25 years?

MRS. HOLLIWAY: That is right. The contributions are for amortization of our bonds.

MR. DESTEFANO: *Do you get your full contribution in the way that the Housing Assistance Administration distributes money now? I understand you don't even get your full contribution.*

MRS. HOLLIWAY: We probably will this year.

MR. DESTEFANO: *I take it that for some reason the provision of Section 23, leased housing, does not come under the legislation in California. The lease provision called for a referendum. Can you briefly elaborate on that? Is it because you don't need an ACC contract for it or why?*

MRS. HOLLIWAY: Frankly I don't know. I believe it is because you are not actually acquiring the units. You are leasing them from private landlords, and the landlord will continue to pay his full taxes on the property. Any units acquired by the housing authority of course are taken off the tax roll and you have a Cooperation Agreement with the city. The units will still be the property of the landlord, and I presume this is the reason they don't require a referendum—because the housing authority is not actually acquiring the units as you would under the turnkey program.

MR. DESTEFANO: *Now, as to the 20 percent gap¹ which is a provision you have to live by and all housing authorities have to live by—could I ask you what the effect of removing the 20 percent gap might be? Would it be beneficial, and can you give us estimates of how beneficial it would be?*

MRS. HOLLIWAY: No, I can't give you estimates. I imagine it would be beneficial in that you could raise your income limits much higher. Thereby you could probably attract different tenants where you would have more income. On the other hand, of course, you would be losing sight of the low-income family that really needs the housing and the real purpose of public housing.

MR. DESTEFANO: *Would you recommend removal of the 20 percent gap?*

MRS. HOLLIWAY: You are asking me a question I haven't really thought too much about, and I would hesitate to give an answer because I just wonder if we would lose the real concept of public housing. I wouldn't be prepared to answer because I don't know. I think you would be losing the purpose for which we are created, and that is housing the low-income family.

MR. DESTEFANO: *Thank you.*

Mr. Hirten, I wonder if you were suggesting that the CRP [Com-

¹ The mandatory difference between the highest rent charged in low-income housing and the lowest rents at which private enterprise without government assistance provides housing of similar quality and size in the same locality.

munity Renewal Program]¹ ought to be made a requirement, as was suggested, I believe, by Senator Muskie, in legislation two years ago, an additional requirement which cities must meet in order to get housing and urban renewal assistance?

Usefulness of Community Renewal Program

MR. HIRTEN: None of us want to see the issues confused further, but let's take the concept of the CRP, and assume cities try to approach it by looking at the whole city and saying: All of our resources will be divided up annually to carry out a continuing improvement program. I strongly believe in this. I think it has more significance than it was given even by the Federal Government. It was mutilated by a couple of local communities, including our own community, which spent almost a million dollars, and now has only a report. We don't even make reference to it anymore. I think that the role of the Federal Government in their assistance program is to say, "Hold it. Let's go back to this CRP." It had merit enough to have legislation and merit enough to have money put up. Now let's make it work.

Regarding whether it becomes a requirement—the local communities are deathly afraid of another level of requirement. But it seems to me the big requirement is this: Is a city prepared to make a commitment to use its resources in a comprehensive program to revitalize the whole city?

MR. DEStEFANO: *But you don't recommend it be made a requirement such as the workable program is now?*

MR. HIRTEN: I think it should substitute for the workable program. The Community Renewal Program would be a much more comprehensive and workable program.

MR. DEStEFANO: *One last question. In the state of Massachusetts, I believe, before the Legislature now, Mr. Hirten, is a bill which provides for the establishment of a Model Cities Agency in the city of Boston. The context of that bill is so highly controversial that it leaves much to be desired as to whether it is even feasible or will make legislative progress. The reason is that in the Model Cities area this bill would provide that the Model Cities agency, which is required to be established, would take over every function—the function of the public works department, of the housing authority, in fact the function of every city agency that might be involved in anything in the Model Cities area. Now you made reference to a restructuring of local government to make for more effective programs, and I wondered what you thought—not of this particular proposal in Boston, but of a similar proposal that will have to be*

¹ Community Renewal Programs are planning grants under Sec. 103(c) of the Housing Act providing Federal assistance to local public agencies for the purpose of identifying the extent of slums and blight, and for scheduling the necessary projects and programs to correct these problems.

made by cities along these lines. Do you see them as feasible, or do you see them as actually resulting in big breakdowns?

MR. HIRTEN: I am in the position of answering that with something that sounds too idealistic, but maybe that comes from being in this job too long. I think somebody has to keep reaching out a little bit ahead, and I think the time has come to say to the city, "Show us your citywide comprehensive renewal program, which includes plans for redoing Hunter's Point or that section of the city that would be eligible for Model Cities, and we will give you X number of dollars over the next period of years to supplement your total program." Make it less of a project-to-project negotiation and more of a genuine ongoing commitment. I think it can work.

One last thing. On public housing, with respect to this idea of social services: in a number of European cities they have what I would call in-migration housing. They have built and created housing where people who come into the city are introduced to public housing for the first time until they get adjusted, get a job, and see what is going on. Then they move into their regular public housing system. I think we ought to do something about this. I don't think it is patronizing. I think it is good sense.

MR. EHRENKRANTZ: This completes the question session. We have one request for presentation from the floor from Mr. Alan Maremont, Director of the Kate Maremont Foundation of the San Francisco Bay Area.¹ I think it would be best if you would come up where you will have a chance to use the microphone.

PUBLIC WITNESSES

Mr. Maremont: Nonprofit Sponsors for Low-rent Housing

MR. MAREMONT: In the interest of brevity, I am going to simply pick out some points which I have amplified at greater length in the written statement that I will submit to the Commission.² In addition, will be some points I thought of after comments by Professor Glazer and other witnesses.

One point I would like to make is in relation to utilizing existing programs to produce large quantities of low-rent housing. It seems to me this can be done without using public housing itself through a combination of the 221 (d) (3)³ below-market interest program and public housing leasing. This combines private ownership with a series of design standards which are much more liberal than public housing. You get a better unit within the limits of the program and a means of picking up the difference in rent between the 221 (d) (3) rent for new construction, which tends to be in the hundreds—say the low

¹ The Kate Maremont Foundation is an Illinois not-for-profit corporation which develops and manages nonprofit housing projects for families and elderly of low and moderate incomes, both through rehabilitation and new construction.

² See excerpt, page 283.

³ See page 126.

hundreds for one-bedroom units—up to pretty high in the hundreds for a four-bedroom unit. This also involves a California answer to the requirement of the referendum. It is flexible in terms of the arrangements being relatively easy to make.

Now let me mention the question of home ownership for the poor which comes up from time to time. It seems to me to have some serious problems in terms of actual workability because of density factors in central cities. You tend to get not a townhouse or physically identifiable unit. Rather, you get an apartment in a larger building, and when you begin to segregate out some means of ownership in this unit, the concept becomes cloudy indeed.

What you are actually able to give the person, in the case of a cooperative, is a kind of share in a corporation. He may or may not be able to market this when he gets ready to move. He may find that what he thought was an equity turns out to be nothing but well-laid plans offset by charges necessary to fix up the unit. It gets complicated to set up the legal machinery to provide ownership, and because of the absence of a physical entity which the family can see as their unit, there is some question as to whether you are really going to get the kinds of psychological benefits homeownership is supposed to bring.

I think this leads to something else I wanted to mention. There is a need for developing psychological relations between the tenant and the housing, so that tenant will identify it as his home and he wants to maintain it. He is worried about the economics of it, and so on. I am not sure that ownership is necessarily an effective way of doing that. I am hopeful there will be other ways to deal with it.

With regard to Mr. Glazer's point about housing not being necessary to the uplifting of poor areas, it seems to me it will be difficult to do the entire social job that needs to be done without doing something about physical overcrowding within the home. I think that major housing efforts will be necessary to take care of the relation between living conditions and attitudes for social programs to be effective.

He also suggested that the Model Cities program had a built-in problem in the imposition of a new bureaucracy to administer the programs. It seems to me it would be possible to develop a single plan for a poor area which makes sense, in terms of providing various things that the people in the area will need to move up from poverty, without necessarily setting up a multi-faceted bureaucracy. To administer this in a good manner, either by an outside consultant or by somebody in the city, would mean having this person also look to the effectiveness of the entire administrative structure. He would say, "If we are going to run a free school for this area, then the logical group would be the existing school district." Let them take on the responsibility as their part of the overall complexion of programs needed in the area.

With regard to the question of scattered public housing in good areas, it seems to me that politically it's dynamite and will not

happen. The place where large numbers of low-income housing units already exist—the poor areas of central city—is where we ought to look, because it has the possibility of redoing the job. Scatteration, I think, is going to hurt the ability of the central city to hold its middle-class population. It is an existing problem of great magnitude.

Mr. Glazer makes a point about the need for social services, which I think is essential. I think we ought to accept the problem of the poor where they are, and develop not only physical structures but also social services in that area which they will need to move up—not necessarily at present—but always looking to a couple of generations ahead. For instance, a really sound job of preschool education and elementary education can break the cycle of poverty. This would mean planning the facilities and planning the funds to operate them at the time the urban renewal project is undertaken.

This, of course, involves a basic change in the approach of urban renewal. We are not talking about moving the poor out, but we are talking about using the very effective powers under urban renewal to do a job for the poor where they are. I think if we are really going to do the job, we have to take it in this way. Politically speaking, this is also realistic. It is acceptable.

About the importance of design: It is a mistake, I think, to invest large amounts of money in housing which is so designed that it cannot operate effectively to serve the needs of the people who are going to occupy it. A classical example is a high-rise structure for families with children. It is a waste of assets and creates serious problems for management. Before high-rise is acceptable, someone must figure out how to handle it. There should be an enclosed area for each family so the children can move outside without adverse influences from neighbors' children.

Now, about organization to produce housing: Our experience is that the private enterprise system can be an effective tool for getting things built and solving problems involving construction, provided there is an economic incentive to do so. There are problems involved in this in that there may be a conflict of interest between the donor project and the nonprofit purchaser. The donor is interested in getting the project built, taking the proper profit and going on. The nonprofit owner is interested in sound maintenance and operation.

Management is a great area of new challenges. When we get all the housing built, it is going to be very apparent that management remains one of the most serious aspects of low-income housing. Management costs could immediately throw a project into bankruptcy because of failure to operate within costs.

I want to make one more point, if I may. That is with regard to the income limits on all the low-rent programs. The effect of these limits is that when a person begins to move up he is pushed out of the area. This is no way, in the first place, to provide incentive for people; in the second place, it is no way to upgrade an area through the years. People have to be allowed to remain in the units, it seems to me, continuing to pay a fixed percentage, always increasing with

their income. In other words, as they move up they pay an increased dollar amount for rent, but they are allowed to stay to provide leadership to the area.

Excerpt From Mr. Maremont's Written Report; Full Report in Commission Files

Labor Costs. Labor is a very high-cost element of housing in this area, because of very high hourly rates. Yet the building trade unions claim that their men are working so little that their yearly incomes are very modest. Since master contracts are in effect for everyone, there is no opportunity to work out special rates for volume work, or to plan a housing program based on lower wage scales. In fact, the Davis-Bacon Act requirements which apply to most federally assisted programs make it mandatory to pay union scale.

Some way should be found to break this unfortunate cycle of higher and higher hourly wages resulting in less and less work. One possibility would be to plan housing construction based on a guaranteed annual wage to be negotiated with the respective unions. The concept would be that the union craftsman could choose to exchange his high hourly rate and uncertain employment for a reasonable annual wage and steady employment. Individual contractors are not in a position to set this up, because it involves control of a large volume of work and because many different subcontractors would be involved. In addition, the traditional bargaining relationship between contractors and unions would pose a serious problem. But were the Federal or local government to set up and underwrite such a program, perhaps reinsured by contractor contributions, it could be availed of by any contractor or subcontractor bidding on the work.

Another aspect of this program is that the building trades are being looked to as a potential source of jobs for minority persons. Unless some means can be found of increasing construction volume, this would appear to be a doubtful prospect.

Taxes. The Kate Maremont Foundation believes that socially motivated housing should pay its fair share of local property taxes. It is shortsighted, we feel, to fail to make provision for the city's revenue needs. In addition, a housing program which has the effect of reducing the city's tax base may encounter political difficulties on that account.

However, taxes are a serious problem for 221 (d) (3) projects in California at the present time. Uncertainty about their amount causes problems during the development stage, and unexpectedly high taxes after completion can throw into default an otherwise healthy project. One of the principal objectives of A. B. 80, the assessment reform bill enacted last year by the California legislature in the wake of several assessment scandals, was to achieve uniformity in assessment procedure, in part through the promulgation by the State Board of Equalization of rules governing assessments.

One means of relief we have been pursuing is a rule under A. B. 80 whereby projects which are subject to enforceable controls on rents and tenant incomes would be assessed in relation to the capitalized value of their gross income, using the capitalization rate prevailing in their area for units renting at the same level. This should produce a per-unit tax burden comparable to that borne by families occupying non-controlled units at equivalent rentals.

Under past practice, assessors have been both varied and mysterious in their approaches to 221 (d) (3) projects, but have tended to use the actual cost of the project as their basis for assessment. Because of the relatively high cost per unit, made possible by the favorable interest rate and in some urban renewal areas the land price reduction afforded by the local redevelopment agency, such an approach tends to produce a much higher assessed value per unit than is borne by other non-controlled units renting at the same level. The resulting high taxes can result in rent increases of as much as \$10 per month or, if the rents are already at FHA-set ceilings, in forcing it into default on its note.

A second approach we have been exploring is a system of tax exemption with payments in lieu of taxes in an amount to be negotiated with local taxing authorities, but not to exceed some stated percentage of gross rents, say 15%. This solution, similar to that applicable to public housing, is available under New Jersey

law to certain kinds of housing projects, including 202 elderly projects, in somewhat varied forms (New Jersey Statutes Annotated 55:16-1). Under the California Constitution the welfare exemption cannot be extended to other than property dedicated to certain charitable purposes, hence this approach could not be extended to the limited-profit or cooperative 221 (d) (3) project without constitutional amendment. But the nonprofit rental project, properly incorporated, could be served by an amendment to Revenue and Taxation Code Section 214, the "welfare exemption" section of the California statutes.

While the foregoing detail about the California situation may be superfluous to the Commission's study, it is illustrative of a problem which is doubtless present in other forms in many other jurisdictions, and which is most important to the future of socially motivated housing.

The Need for a Different Approach to Income Limits. If we are to realize the objective of bringing people up from poverty within a renewed ghetto area, something must be done about the income limits for continued occupancy now applicable to all low-rent programs. As presently set up, they have the effect of pushing people out of good housing as soon as they begin to move up the economic ladder. They must either pay much more than they can afford for comparable housing, or move to much poorer housing. Obviously this constitutes a deterrent to ambition and economic betterment.

In place of fixed income ceilings, we should substitute a system whereby poor people, once admitted as tenants, can continue to occupy the housing indefinitely, provided they are willing to pay as rent a fixed and reasonable percentage of their increasing family income. This will allow them to remain in the area as an example and favorable influence, perhaps as part of leadership, until they have reached the point where they can afford, and wish, to move out of the area. Such an approach would also tend over time to change the entire problem, including that of image, which has been quite acute for the public housing program.

Should operating surpluses develop as a result of this approach which are not needed to maintain and improve the housing, neighborhood facilities or the neighborhood itself, they could be used for increased property taxes or in-lieu payments to local authorities, or to repay some portion of the government's investment.

MR. EHRENKRANTZ: Thank you. Are there any other people in the audience who wish to address the Commission? Please come forward and state your name and affiliation.

Mr. Dolan: Management-Tenant Communication

MR. BERNIE DOLAN: Good afternoon. I am Bernie Dolan. I live at 103 Hilltop Inn, Hunter's Point. I am a member of the Board of Directors of the Hunter's Point Non-Profit Community Development Corporation.

Listening here this afternoon I have heard a lot of things. I have heard a lot of things that interest me. I have been in the property management field for the last 15 years, dealing with the minority groups here and in Baltimore, Houston, Oklahoma City, and various other places.

Here is one thing I heard—tenant education. I found this to be very valuable with my work in private enterprise, and my first problem would be to educate my tenant. There is none of this here in Hunter's Point.

Now I will give you an example. I saw little kids throwing stones through the windows. I sat them down and told them about the

value of stones, that they enclosed gas that did their cooking, that the sand could be made into window glass which they were breaking. Now I have 50 kids on that hill who promised me they wouldn't break windows, and they tell me every day, "I didn't break a window today."

Yet I don't see management. I see people who are trained in the management field, and this is a small and limited field for a minority group because this housing program just happened in, say, the last five or ten years. To have management that can deal with the problem is important. You see, the first thing when we get here is to find people who say, we have already been lied to and promised things that don't happen, so we don't trust management.

In dealing with people in their homes you get the husband who has this problem for you. The wife has this problem. The little kid has this problem. Without some type of communication between management and the owners and the tenants there is no point in even building the housing because they are going to tear it down. I see the workers from the Redevelopment Agency on that hill every day. I see EOC, and they are saying nothing that these people can understand. Yet they are there. They are telling them nothing. I go to all the Redevelopment meetings. Maybe 10 or 12 people are there. They are not interested. The people that have to work all day to pay their rent and other things, they don't have the time. But there is no means of communication for these people that didn't come. No little handbills, no leaflets, nothing. So when they drive by the Community Center, the Redevelopment Office, they say, "They are down there making money. We are getting nothing."

Until there is an effective means of communicating with the people that are actually living in these buildings, it will never work. Private enterprise has their interest in dollars and cents and making a profit, and it should be an interest in the people. You see, the owners figure our property, bricks, mortar, boards, as dollars and cents, but that means nothing unless they have people to bring the money to it—to pay the rent.

There are only three things that will make a person move—maintenance, management, or another tenant. They don't take the time to think of this. I will give you an example. Where I live—not knocking the thing, but this is just a fact—the manager of Hunter's Point has never had any type of formal education for managing property. Yet he is a manager. Yet I see people that have been qualified to manage property and they missed the boat this way.

The problem that is so perplexing now is this. There is no book printed yet that can teach you the complex problem of a minority group person because their whole life is centered around their home. They have been afraid to get out in the cities because they didn't want to be faced with the discrimination, slurs, what-have-you, and so their life is at home, and that is where you miss the boat.

MR. EHRENKRANTZ: Thank you for your comments, Mr. Dolan. If

there is anything you would care to add by way of written material, the Commission would be delighted to receive it.

Are there any other people who would like to address the Commission? Come up, please, and give your name.

Mr. August: Relocation from Western Addition

MR. JOEL AUGUST: My name is Joel August. I am working this summer with the San Francisco Neighborhood Legal Assistance Foundation. I live in San Francisco. I am a law student.

I didn't come here today to make a statement. I came to listen. But I heard a great many comments from the people sitting at this table, and many of them sounded very hypocritical in the sense that people said they were very concerned about low-income groups in this community. Yet they are part and parcel of organizations that claim to represent organizations which don't seem to be very concerned with the actual problems involved. I am thinking in particular of the Redevelopment Agency here in San Francisco. The one comment I would like to make is that I would hope this Commission would investigate carefully the examples of the Redevelopment Agency while it is here to get a very real view of what is going on.

There have been many urban renewal problems in San Francisco that went through the Western Addition. One problem here is that we have several thousand people who were displaced, and I think a few hundred slum communities were built up. They are about to put the bulldozers in an area called Western Addition. We have several thousand more people who will shortly be moved out as a result of bulldozers. These will be primarily Negro families and older people and single individuals.

There are not enough housing resources here in the city of San Francisco to take care of the people who will be displaced. At this point, a relocation plan has not been submitted by the Redevelopment Agency. The Board of Supervisors has okayed the workable program and is waiting to okay the relocation plan when it is brought forth by the Redevelopment Agency some time in August. It is going to be hard. It is hard for us to see the people who have been involved with working some of these problems out, where they are going to find resources. They have certain turnover rates which make it seem like there are thousands of units available in this city. Unfortunately, they don't exist, and if you talk to people who are forced to leave these areas because of urban renewal, who spend months and months looking, they can tell you personally they don't exist.

Many turnover rates are based on figures which they get from the housing authorities, where they find high turnover rates in places like Hunter's Point, which is the Negro reservation, and places like Potrero Hill, another one where the people don't want to live. There are public housing developments here, and this is why you get

fantastic vacancy figures which are turned in to the Federal Government.

I hope the Commission has a chance to investigate the renewal problems here, particularly in regard to a section known as A-2, where you have an active citizen participation group—the Western Addition Community Organization—which is bitterly opposed to the bulldozers coming in at this point until it is proven there are relocation housing units available.

Relocation is going on at this point even though the relocation plan has not been approved. If you call the Redevelopment Agency and ask them, they say that no particular relocation is going on as far as they are concerned, but they say it is self-relocation. Therefore, they are not part and parcel of it.

It is a very technical point and I think it is really splitting hairs. People are self-relocating. The Agency is not doing it, but it is a sort of institutionalized panic. The Agency goes in and buys up all this land. There is no communication between the Redevelopment Agency and the people who are living in these areas. The people panic when they know the land has been bought, and they move out.

I am going to conclude by saying that we have seen a report of the first hundred individuals or families who have left the Western Addition, who have self-relocated. Out of the first 105 individuals or families, I believe 22 are no longer living in the city of San Francisco. One assumption which might be made is that they are living in the slums of Oakland at this point. Another 13 the Agency claims they don't know where they are. You could make an assumption that 25 percent of the first group moving out are no longer in this city, and this is a grave problem.

Western Addition at this point is a powder keg, and if and when the bulldozers move in, as they expect to do, I think it is conceivable it could blow up. I would hope the Commission would have a chance to talk to people from WACO, the community organization which is directly involved here in San Francisco.

Thank you.

MR. EHRENKRANTZ: Thank you. Are there other people to testify? Yes sir.

Mr. Johns: Loss of Jobs in Center City

MR. GEORGE JOHNS: Mr. Chairman, members of the Commission, my name is George Johns. I am secretary-treasurer of the San Francisco Labor Council, AFL-CIO, and I have held this job for about 20 years.

I regret very much that I don't have a better presentation for you. This is short notice as far as we were concerned. I received a communication just today that you were coming. I will be happy to prepare a written presentation to you, including a number of things which I think probably go to the heart of the problems in San Francisco particularly.

In San Francisco some 20 years ago, a determination was made by the powers that be—the Chamber of Commerce soon came forth, and I was aware of this because I was a member of the San Francisco Planning Commission—that the very shape of San Francisco would be changed from what previously and historically was a warehousing, a food processing, a manufacturing city—no big industries, but many light industries—to a cultural, a business, a convention center—a new kind of city.

During the past five years, according to my figures, we have lost about 20,000 blue collar jobs in San Francisco. My figures are based on my analysis of local labor unions. I know when the members of the production machinists unions dropped from 14,000 members down to 4,000 members in San Francisco, we are losing job opportunities. And the loss in the membership of the leather workers, the food processors, and different unions like these show the same.

Loss of Jobs in Center City

I figure that in San Francisco we have lost about 20,000 blue collar job opportunities. This is the real guts of our problem of “Burn, baby, burn”—of unemployment, et cetera, because these are the type of jobs which historically in San Francisco we have set for the people with limited understanding, limited education, limited qualification and job skills. These were the jobs that used to be theirs.

I am using a practical method of union membership for my figures. But Dr. Sarah Behman of the University of California, in the very excellent work done on the subject of industrial movements and job movements around the San Francisco Area,¹ comes pretty close to me—around 15,000, as I recall offhand. So there is a substantial loss to be figured in this area of blue collar job opportunities.

This is really, I will assure you, the heart of the problem in San Francisco. I was a member of the Mayor's Advisory Committee on the city's demonstration project when we were talking in terms of \$41 million to be sought for San Francisco. I disagreed with the committee and with the mayor—though he comes from the labor council too, as some of you know—on his analysis of what the area should be that we would be attempting to rehabilitate under the city demonstration program. My position was that the program should be entirely for the industrial area of the city.

The feeling of the mayor and his committee and the advisors was that the program should be limited to the Hunter's Point area. I was not so concerned in rehabilitating houses in Hunter's Point as I was in finding jobs for these same people. And to do so I was talking in terms of bringing industrial parks—a real industrial rehabilitation—into our city. When the mayor decided there was too much confusion,

¹ Reported in “Manufacturing Employment and Industrial Location in San Francisco,” by Robert J. Flangan, published by Center for Labor Research and Education, Institute of Industrial Relations, University of California, Berkeley, October 1967.

and he dropped the project, we were unhappy about it for months. We felt that the city's demonstration program should have gone through, and it should have gone through aimed at the basic problems of San Francisco; namely, bringing in industry to provide the blue collar type of job which would have taken care of people's problems in San Francisco today.

I believe you mentioned that Justin Herman will be here. I am recognized in this town as one of his main opponents. I have been fighting him down the line for many, many years. Presently we have in San Francisco a situation in this Yerba Buena Development where 5,000 single people who have heretofore lived are being tossed out. There is no replacement housing. There is no attempt to satisfy their problem. Many of these people are in our lower paid categories in the labor movement. The way this thing is going to work, I can assure this Commission that these people are going to be forced deeper into slums.

There is another point which I will cover in my presentation to you. This is a new program by the San Francisco Planning Commission—the new zoning study of the downtown area which includes south of Market and Chinatown. In this particular study we have objected most violently to the way they are conducting themselves and changing the zoning down there without making any provision for cleaning out the very large slum dwellings. These slum dwellings are most important. These are the key to a lot of things that are wrong here.

I am assured by the presidents of several of our banks that the owners of these slum dwellings are presently receiving 15 percent of their investment out of them. No effort is being made to get these slums out of there and to find replacement housing at low cost for the people who have heretofore lived there, as in previous housing and redevelopment projects such as Western Addition and others. No attempt is being made to relocate industry and protect the number of job opportunities which are so necessary in this town.

In addition to that there is a program to protect and preserve Chinatown but there is no attempt being made to stop the poverty that is happening in Chinatown by refusing to permit the continuance of sweat shop garment factories and other industrial uses there. Yet in Chinatown we face the situation where under the new immigration rules, 7,000 Chinese are coming into America of which we expect 4,000 will stay in Chinatown and go into these same sweat shops. So you have a serious situation.

I had great hopes in this Commission when I learned of the people on it, particularly the Senator, whose reputation I have known 3,000 miles away out here for a long time. I am hopeful maybe something can be done to stop some of the bad practices and situations in San Francisco and face this on the basis of trying to do something for people, and particularly the people who are being squeezed and hurt and probably will make some more headlines this year in terms of "Burn, baby, burn."

MR. EHRENKRANTZ: Thank you very much. Would the next witness please come up?

Miss Hensley: Educate the Poor People

MISS HENSLEY: I am Joline Hensley. I heard a number of things this afternoon I don't agree with. You know, this is America. Therefore, I have a right to my opinion, too.

I will speak on citizen participation, about the model city, and the paying of the rent to the Housing Authority. The lady (Mrs. Holliway) made a request. I am opposed to that because I have been a member or resident of the Housing Authority for three years, and in my opinion they are slumlords. This is no reflection on the lady. I am speaking of what I know. If you go to 78 Nichols Way where I live, windows have been broken out. And just on the opposite corner, boards are put on windows when they are broken out, and they tell you they don't have the glass to put in it, or they say, "We don't have enough people employed." And there are people on the welfare line every day and the taxpayers are bickering about that and saying there are people on welfare that want to be on welfare. There are some, you know—you're just going to find that type. So I am not speaking for them.

I'm speaking for the people who want education, want jobs, want proper housing. You hear people come up here and make all sorts of demands for the poor people. I'm speaking for myself. My window was broken. It took me three months to get it in, and you can call the San Francisco Housing Authority and ask. My record is 84. Every time you call there it's this and that, and they say just a minute and they talk naughty to you. It makes you feel little.

We don't have an education. You don't have anything to fight with. Everbody talks about the EOC. The biggest mistake the Government done was when they let that money go and didn't educate the people.

I have been trying to fight to get on the board to find out who is in the know, what is going on out there. A little handful of people went over and talked to Weaver. As far as I am concerned they wasn't talking for me. I can talk for myself.

Now that is the way I feel about it, and you people can sit here and listen to these lies as you want to. But I'm talking as a resident of Hunter's Point, and I am speaking for those people who don't come out because a lot of meetings they have out there, they do a lot of petty bickering and the people say, "I worked hard all day. I don't come to sit four and five hours to listen to this." They get up and leave. Therefore, those people never know what is going on. All they know is what they read in the paper. But all the money—who's spending the money? What is happening to the money? The people aren't being educated. I have a little job, but when that job is gone I can't go downtown to the employment office and say I was a community worker. Can I get a job as a community worker downtown

here? No, because they didn't sit down and say, "We want you to do this." They just gave them the money. How can you work out the problems when you don't have anything outlined?

The same thing on this citizen participation. You can get citizen participation when you have classes set up, but when I've come to listen to Tom, Dick and Harry, and Tom, Dick and Harry don't know any more than me, I'm going to stay home, too.

Thank you very much.

MR. EHRENKRANTZ: Is there anyone else?

At this time I would like to thank those people who have come up and made contributions to the hearings. Thank you.

(Adjournment.)

*Mission Dolores
San Francisco, California
Morning, July 6, 1967*

How to get well-designed cities was discussed in the morning session. In the noon and afternoon sessions the discussion shifted to obstacles in the way of applying new technology in the field of housing. The Commission met all day at the historic Dolores Mission. The Most Reverend Merlin J. Guilfoyle, Auxiliary Bishop of San Francisco, welcomed the Commission and conducted a tour through the Mission.

DESIGN IN THE CITY

MR. EHRENKRANTZ: In introducing the subject and the experience of today's witnesses I could usurp all of their time just going over their credentials and background.

The subject of this morning's hearing is design, which is of extreme importance. We are obviously interested as a Commission not only in urban problems in quantitative terms but very much in qualitative terms.

The first speaker-witness will be Mr. Joseph Eichler.¹ He is well known in the Bay Area for his work in housing, and his homes have won many awards. The organization of Eichler Homes was first founded in 1949. Today there are 8,000 Eichler homes in the San Francisco Bay Area and in Southern California. Since 1960 Mr. Eichler has been working in urban renewal multi-family housing high-rise construction. Mr. Eichler.

¹ Member of former Governor Brown's Mission on Metropolitan Area Problems, of the Golden Gate Authority Commission, of the Board of Trustees, San Francisco Museum of Modern Art, the Bay Conservation Development Commission, and other civic organizations.

STATEMENT BY JOSEPH EICHLER

MR. EICHLER: Good morning, ladies and gentlemen.

When I was invited to testify before this Commission I was asked to discuss urban design, which I thought was a rather nebulous assignment. In discussing this with Mr. Pellish of your staff, he suggested that perhaps I should propose what I would do were I given a free hand to design a project.

As a matter of fact, I did develop such a project on approximately twenty acres of land in Visitacion Valley in this city. It is called Geneva Terrace. This development consists of 220 townhouses that were built under the FHA 203 program, and two 18-story towers containing 573 units of two- and three-bedroom apartments and a nursery school that were built under the 221(d) (3) program. Fifty of the townhouses still remain to be built. This community consists of a 3½-acre park, a community center, and a swimming pool. The entire project was designed by Claude Oakland and Associates, A.I.A. During its planning stages consultations were held with the Planning Department of the City and County of San Francisco. This development has been visited by housing and planning experts from all over the world and has been widely acclaimed, and I consider it an example of good urban design.

A project should be designed that would be in keeping with the character of the total urban area and also with the surrounding neighborhood. If it is properly done it should uplift the character of the surrounding neighborhood. A good example of this that is going on right now is the improvement in the neighborhood surrounding the Golden Gateway project. An excellent example of private urban redevelopment in this city is the Jackson Square area.

Obstacles to Good Design

I believe that under the present system of redevelopment or urban renewal too many restrictions are imposed. If it is a redevelopment project, the redevelopment agency usually has a pretty well worked out scheme with which a designer has to comply. Thus many limitations are created beforehand.

Some of the other considerations that are involved are, first and foremost, provision for housing the people who are to be displaced. Secondly, political considerations have considerable influence, and then there are the usual matters of cost and code requirements. I would think that a better system of redevelopment would be as follows:

- (1) The Federal Government's role would be to provide subsidized financing.

- (2) The state's role would be to supply the right of eminent domain and some kind of tax incentive.

- (3) The municipality's role would be to create a master plan for

the city and designate such areas that would be eligible for redevelopment.

(4) Private enterprise would be encouraged and solicited to acquire and develop properties in any of these designated areas and propose a plan of development to the city planning department. The developers, planners, and city planners would get together, iron out their differences, and present the plan to the planning commission for its approval. Final approval would then have to be obtained from the city council and from the duly authorized representative of the state and then the financing would be obtained through the regular but improved channel of the Federal Government.

Under the present redevelopment system the redevelopment agency selects the area to be redeveloped and ultimately prepares a plan for its development. Historically, this has been a time-consuming process. I think under the scheme that I have proposed, where the city planning authorities would prepare a master plan and designate general areas to be subject to redevelopment, the development would proceed more rapidly, and I think it would be of better quality. If the need exists for redevelopment, and the tools are available, such developments would be forthcoming. These may be of smaller size or might even be on a larger scale, depending on market conditions, terrain, availability, et cetera. The expense certainly would be far smaller.

Other obstacles that stand in the way of good urban design are antiquated or severely restrictive code requirements. For example, in this city there has been a requirement that a concrete structure could be no more than 160 feet in height and contain not more than 13 stories. It has been said that this requirement went into effect after effective lobbying by the steel interests. At one time I was ready to launch a project that would conform to the 160-foot height limit but contain 15 stories. This proposal was rejected by the department that issues the building permits and was appealed to a review board, which turned it down despite the fact that previously such a variance had been granted. Eminently qualified structural engineers certified as to the safety of the building but to no avail. That project was abandoned. I understand, although I am not sure about this, that this requirement no longer obtains.

The electrical code, not only in this city but in San Mateo County, is an antiquated one causing considerable additional expense, even in single-family dwellings.

Approval of the use of new materials takes a great deal of time and is very uncertain. The result is that in most instances these are abandoned, thus resulting in inferior design.

As a general principle, I would state that good design has to originate with the designers and should not have to conform to prescribed criteria. A design of course should be subject to some kind of review, but the applicable standards to be observed should be those of safety, circulation, and cost considerations. Furthermore,

the developers and designers should be financially qualified and have some record of experience.

Thank you.

MR. EHRENKRANTZ: Our next speaker is Mr. Justin Herman,¹ Executive Director of the San Francisco Redevelopment Agency since 1959.

Mr. Herman.

STATEMENT BY M. JUSTIN HERMAN

MR. HERMAN: Thank you, Mr. Ehrenkrantz, Senator, Mrs. Smith, gentlemen: I appreciate the privilege of being here before you.

Mr. Ehrenkrantz has identified who I am. To fill out the picture just a little bit, the renewal agency which I represent has an active program in this city representing a gross project cost of approximately a quarter of a billion dollars, although we have many products other than housing. Our housing runs to some 15,000 new units and some 2,400 rehabilitation units.

I am delighted to speak on design because of the strong interest our agency has in this field along with many other interests. Sometimes the other concerns take more of our time and attention away from design than we would like, but this is part of the urban development process. I am sure it will sound quite self-serving, but generally speaking, our program in San Francisco is regarded as successful in terms of very good land reuses, open-occupancy housing and devotion of land to schools, churches, playgrounds, parks, cultural activities, office spaces, retail shops, and things of that kind. We feel from our viewpoint that they indicate a quality that shows that design was important in agency selection of a developer and working with him and his architects in bringing to bear the best possible design scale that we could. If this sounds too self-serving and also if you need some relaxation, I hope you will find a little time to visit our developments during your stay, and if we could be of help to you we would like to do so.

There are two critical aspects of our renewal or development situation to which I would like to address myself. One, of course, is design quality and how we go about getting the best design that we can; and, secondly, the question of the volume of well-designed housing for households of low to moderate income.

As far as the design aspect is concerned, we continue to work away at that, certainly with some failures, not from hindsight, but we also like to think with much success.

As far as the volume of housing, well-designed housing for households of low to moderate income, I must state I think the output is far too little and far too slow. I will get back to that question in a moment or two.

¹ Previous to becoming head of San Francisco Redevelopment Agency was Regional Administrator of Housing and Home Finance Agency, San Francisco. More than 30 years' service in various Federal agencies.

Ways to Achieve Good Design

You might be concerned as to why our agency places such strong emphasis upon design. For one thing, we have a basic philosophy that the quality of good design that we take for granted as being attractive to households of good to better income are just as critical, in our judgment, to households of low to moderate income in making them feel that they have an important stake in our urban society.

Secondly, the renewal process is a surgical one and a painful one. It is painful to many people, including those, of course, caught up in the process. It seems to us an ignoble thing to do—to be satisfied with poor design—when a community and neighborhood must go through so much travail in getting the process accomplished.

Here in San Francisco we have perhaps a rather fortunate situation. We can talk about this without boasting. We have some natural amenities in climate, irregular terrain, and views of the Bay that give us a very fortunate setting for the application of the best elements of design that we can bring to bear. We also have—even though we are a short-lived city, having been substantially rebuilt after 1906—an opportunity for blending a colorful and rich past in our structures with the best of contemporary design that we can encourage and induce our developers and architects to apply.

Finally, of course, as in all design situations, our emphasis upon the relationship of design and function has been responded to, and we think the results are pleasing.

How do we go about getting the best we can out of the design potentials? For one thing, in marketing land we also have design standards, and these are tailored to the area, neighborhood, terrain, or view situation. Therefore, any developer who elects to come into this program knows from the outset that he is dealing with an agency that is concerned with design. Secondly, we have from the very outset of our relationships a review—and guidance in many instances—of site planning and development of structural schematics. There are reviews—informal ones—as the designs emerge, and a rather critical review at the time of issuance of building permits and release of land. And finally, there is a check at the time of completion to see that compliance has been observed in order that the agency may certify that the development is complete.

We have a substantial architectural staff that is very much design-oriented. We engage in all sorts of competitions, each one tailored to a given situation. When we have projects of substantial significance in the community, we establish advisory panels for the occasion, and here, too, the professional skills that are brought to bear will vary. There are always architects on these panels, sometimes planners; occasionally, where we are dealing with an extremely complicated situation, someone concerned with building or mortgage finance. In later years we have tended to have an artist on such panels as well.

I mentioned to you earlier that I was concerned with the fact that we were not getting enough of the right kind of housing available—

well-designed housing for households of low to moderate means. This does not mean to say we have none. I say we do not have enough, and very quickly I would like to illustrate here with the help of Mr. Herbert Lembcke, who is chief in charge of our architectural activities, the types of housing development in this field with which we are concerned.

While the illustrations are being set up by Mr. Lembcke, I will mention that the first one, and one that has received considerable national attention, is St. Francis Square in our Western Addition A-1 renewal area. That is a 221 (d) (3) ¹ development of 299 units, a completely and genuinely integrated development that has been most satisfactory. It has a substantial waiting list. One of the critical elements I might mention in that project is that the developers did not choose to crowd the land up to the maximum allowable density. Actually, they built this project up to 74 percent of its allowable density, and thereby made it possible with a good design to have very pleasant play, open, and walk space for the enjoyment of the people who live there and own the development.

Another project in our hilly Diamond Heights renewal area had its groundbreaking under Dr. Robert Weaver's auspices last week. This is the Kate Maremont Foundation Development in Diamond Heights—275 units of 221 (d) (3)'s. I regret to say it took us about four and a half years of struggle to bring this project to the groundbreaking stage, but we think it is worth it.

This project is what we in San Francisco call moderate-priced private housing, but which you probably refer to in other places as middle-income housing. To inject such housing into a neighborhood of much more expensive homes is in our judgment a mixture which will work exceedingly well.

In our Western Addition area—our second Western Addition area—we have under development by a neighborhood sponsor 111 units designed by Kaplan & McLaughlin. This is under FHA review right now, and if it works well we ought to be under construction in two or three months. Here, too, there is great respect for open spaces, for play areas, for safety, for views, and we expect we will have a development in which the people in the neighborhood, many of them poor, can take great pride.

A corresponding unit not very far from this is also in the identical stage, sponsored by local churches, each of them with a very predominant minority membership. This is designed by Joseph Esherick & Associates. I think it will also provide an attractive development utilizing open spaces well, capturing a fragment of the old Brewery Building there for office spaces and things of that kind.

Usefulness of Competitions

The point I would like to make, other than the fact that we don't

¹See page 126.

have enough of these, is that these designs were adopted by the agency in stiff competitions. Competitions can be conducted simply and with minimum expense if controls are established on how developers proceed with their submissions. Out of this process we can get a better development than we would with other methods.

These are all 221 (d) (3) submarket interest rate units. They have, for example, covered parking ranging from 50 to 100 percent of the units. They have balconies and play deck areas and patios, as you may have noted, in some cases. At the insistence of the redevelopment agency, instead of concentrations in one- and two-bedroom units, we managed to get 50 percent of the units in three- and four-bedroom accommodations.

We have, in the larger units, one-and-a-half to two baths, something that is shocking to many people. Presumably this is considered by some to be too good for poor people. We don't think that. As a matter of fact, it is an economy to have these amenities in housing for people of modest means.

This brings me, of course, to a comparison between what can be accomplished under this program and what was hopefully presented to our country as another advance; namely, the rent supplement program coupled with the 221 (d) (3) market rate program. I am hopeful, Senator, that I am not treading on any toes, but we would not use that here under existing Federal regulations, even though we need it in a dollar sense. We need the rent supplement program, if we ever have one, because we could reach lower down into the rent-paying capacities of people who live in poor areas and provide them with decent housing in which they could live better lives.

However, we would not presently use the 221 (d) (3) below-market rate program combined with the rent supplement program because it will perpetuate, in our judgment, the worst aspects of the worst conglomerations of public housing from which we are all trying to get away. For example, under the rent supplement program, it is not possible to have balconies, except by great struggle; a second bathroom, even for a three- to four-bedroom unit; and covered parking here in a community where land is precious, and should not be used exclusively for parking of vehicles even on economic, to say nothing of esthetic, grounds. It is not a problem here to have a prohibition on air coolers, but there are many warm parts of the country where coolers are placed in the lowest cost kinds of housing. Yet under the rent supplement program they may not be used.

I would like to say that there are certain impediments. Certainly I won't cover all of them in the time allowed to me, but there are certain impediments I would hope would interest you, and perhaps your influence could be brought to bear on the removal of these blocks, so that much more could be done in providing well-designed housing for households of low to moderate income.

For one thing, I would like to see by directive of the Congress the taking of a greater risk on the part of the Federal Housing Administration in certain criteria that it uses in accepting housing develop-

ments for mortgage insurance. For example, I think the vacancy ratios can very well be lower in well-designed accommodations than in market-oriented housing. I think the rent-income ratios ought to have far greater flexibility than they do at the present time. I think, at worst, it is essential to charge for certain services, for facilities such as garages, in order to make a project financially feasible. I think this should be allowed. It is one thing to have a strain financially on households as they first occupy these developments; but even so their incomes are likely to follow the price cycle, and in time the burden of carrying these extra charges will be reduced.

I have long been an advocate of the view that our government ought to give quotas to agencies such as FHA for the establishment of 221 (d) (3) housing and 202¹ housing, based upon the needs of the community rather than based upon judgments of insurance risk. I am not suggesting that the economic feasibility of housing be thrown to the winds, but I do feel that with a socially oriented program such as that with which we are dealing, we ought to have a system that literally produces the product. In my judgment, we are not getting enough product at the present time.

As I have indicated heretofore, I would liberalize the rules on balconies, covered parking, second baths, coolers, and things of that kind.

In the so-called 312 rehabilitation program,² I would like changes to make possible its wider application than exists today. For example, it is conceivable to me that we might increase the term, the present maximum term now of 20 years to, say, 30. This would reduce payments as much as 20 percent. I would remove restrictions on any moves from renewal areas but only require that rehabilitation be done within the code anywhere the family has moved. In some instances a growing family may be able to remain where it is, rather than move on to other places.

As you might suspect, I am a great believer in the rent supplement program. It will have its problems and its abuses, no doubt, but I never knew a program of aid which didn't lend itself to those hazards, and here I think the quality of management can keep such abuses to a minimum. But we certainly need these aids in order to bring more product, well-designed product, to our neighborhoods at an early stage.

Need for Illustrative Housing

This brings me to my last suggestion. The planning processes are unfortunately involved not only on technical grounds but on political grounds as well. I find an increasing resistance to good planning and good design in our neighborhoods because so many of the neighbor-

¹ Sec. 202 under Title II, Housing Act of 1959 providing assistance for housing for the elderly.

²See page 91.

hoods are doubtful that their government can, in fact, and will, in fact, produce the product which theoretically is available. Again, I am talking about the product of low- to moderate-priced private housing or, in some instances, public housing. There ought to be a modification in the Federal legislation dealing with renewal planning whereby in the early stages of the planning process (when there are no critical site problems or critical questions of land use) the building of demonstration or illustrative types of housing is permitted—early so that the neighborhood would be able to judge such housing, evaluate it, and be convinced that such housing is possible. By and large, as I said, I find increasing doubt on the part of the people that they are really going to get out of these government aids what the leaflets and the public pronouncements say will be forthcoming. The neighborhood needs an opportunity to look at the illustrative development and see it, and walk around it, and walk into it and test it, and lean up against it. I think this would do far more good than all the pronouncements many of us technical people can make by way of promises.

I do thank you for listening to me and I hope I have said something of some use.

MR. EHRENKRANTZ: Thank you, very much, Mr. Herman.

Now it gives me special pleasure to introduce Mr. Vernon DeMars,¹ who is a fellow member of the faculty of the Department of Architecture at Berkeley.

Mr. DeMars.

STATEMENT BY VERNON DeMARS

MR. DEMARS: Mr. Chairman, Senator Douglas, members of the Commission, ladies and gentlemen.

I was listed in yesterday's paper as a Berkeley builder. And while I aspire to this designation, I suppose I better go by the record that Mr. Ehrenkrantz has just given you—that I am an architect—since I am apparently the first architect to be speaking before the Commission.

I have been asked to discuss the design process, particularly as this pertains to urban design, and I will try to do this.

First, let me express my pleasure in being given the opportunity to appear before this Commission and to discuss a matter which is the major concern of my profession: The physical design of the environment in which urban dwellers spend most of their lives.

The very fact of these hearings is a recognition that this environment leaves much to be desired—and I would add that this failure is a particularly American one when you match capabilities and potentialities against results. Americans have never lacked talent, even

¹ FAIA. Practicing architect, as principal in the firm of DeMars and Wells. Experience with Federal housing agencies, a former visiting professor at Massachusetts Institute of Technology, and member of the AIA Advisory Committee on Urban Development. Special interest in design of low-income family housing.

individual genius. Their ideas, for better, sometimes for worse, have transformed the world.

In building cities, we have done best with those elements under single control: A building, a bridge, a great park, no matter how complex the actual problems or how vast the resources required.

We have done least well with elements of a collective nature where individual effort and enterprise need coordination and a guiding framework. This goes for most of the city's basic fabric: The streets, housing, and commercial areas. We have codes, standards, regulations, and a host of bureaucratic controls, and the result as environment is often total chaos. Now cities of other times, while they might lack plumbing, heating, and elevators, had a certain coherence—an integrity as environment that can still be appreciated today since many have survived to us nearly intact: Venice, Florence, Siena, Rottenburg, and others from the Middle Ages, parts of Paris, Rome, London, and many a New England town. I deny that this is mere nostalgia for the romance of things past. I am being quite objective about their physical form. Our contemporary efforts at city building should be able to stand the same test.

Now I have said that our failure to achieve a satisfactory urban form is particularly an American one. This suggests that something in the American scene is thwarting this achievement, and this I believe to be the case. I assume that your Commission might also believe this to be the case, and that the purpose of these hearings is to find out what that something is.

Let me illustrate: Planning a world's fair is not unlike planning a city. Let us compare the New York Fair of 1965 with Expo in Montreal. In New York there was a "bull-it-through-whatever-anyone thinks" attitude on the part of its promoters in spite of the early resignation of its architectural advisory committee, the resulting minimal foreign interest and participation, and low public support or enthusiasm. There were outstanding exhibits: I.B.M. Corporation and the pavilions of Spain and Denmark. These were sophisticated; the sell was soft—and the public loved them. But the total impression of the fair was to wonder if it was really worth the effort. I don't recall that it made money.

Now what different ingredient went into Montreal that brought forth everyone's finest efforts, that has earned it the praise of critics and public alike, and that far from the millions of dollars that Canada was prepared to lose, Expo 67 seems headed for an overall financial success?

Another example: In the late '20s, a small residential development was built in New Jersey that has had a fundamental influence on city plans throughout the world. This was Radburn, where the architects Clarence Stein and Henry Wright set out the basic concept of separating auto and pedestrian traffic. What has happened since? Nearly every serious effort at town planning throughout the world, from Chandigarh in India to the new towns in Sweden and England, start out generally and knowingly based on the Radburn principle.

In New Jersey, Radburn now exists in a sea of conventional subdivisions, all built in later years. The residents of Radburn are still enthusiastic about the Radburn concept. None of the speculative subdivisions that surround Radburn wanted to bother with it.

Another example: Many serious planners and economists feel that the population increase of the next 20 years and beyond calls for the construction of entire new towns and cities. There are perhaps 100 such proposals languishing in different stages of inactivity in this country today. Some of the largest investors in the country are seriously involved or interested in some of these. (Since a small city of 60,000 will cost about a billion dollars, it is an interesting investment.) However, only a handful have really gotten started, usually with great difficulty. One or two have gone on the rocks financially. Discounting Columbia, near Baltimore, which has only entered the construction stage, perhaps only Reston near Washington, D.C., really qualifies as a new town in the British sense; that is, in being self-sufficient to the extent of having its own industrial employment. But Reston, while nobly and imaginatively conceived, is progressing at a simmer rather than a boil.¹

In contrast, when Sweden decided after World War II that new towns were the answer to population increase and the flight from rural areas to the city, she started a program of satellite cities around Stockholm. The first of these was Vällingby, some 20 miles out, and which now has a population of 80,000. Rapid transit, sometimes elevated, sometimes subway, connects it with the center of Stockholm. Its own town center, surrounded by apartment towers, is a model of what such a center should be. Vällingby's planner, Sven Markelius, has stated that the whole scheme is filled with American ideas from its Radburn-type plan to its supermarkets and department stores in the town center. But the whole thing has been done on a scale and with a quality that has not yet been approached in this country.

Why Do Our New Towns Stop Short?

Now, assuming that we want to build new cities (and of this I believe there is some evidence), why is it so hard for us to get going? The problems of development the world over are basically the same: A need is recognized for housing, factories, a new city, even a world's fair. The problem is analyzed, solutions proposed, financing sought, construction programmed, the result managed or operated. Now whether this is done under capitalism or socialism or something in between makes little difference; the same steps (over-simplified here) are necessary. The end product is the result of this process. Extraneous considerations, bad judgment, or significant error any place along the way will profoundly affect, if not negate, the end

¹Reston, too, suffered financial difficulties as explained by its developer, Robert E. Simon, Jr., at the Commission's Washington, D.C., hearing on October 28, 1967.

result. Then there is the question of values: Is a city for speculation and exploitation, or for investment and a place to work, play, and live? Most cities manage all of these to a degree, but these are values which are not always compatible. If we want to change our cities, we shall have to make a choice.

I have not identified that element in the American development process that stops us short of our potentials. That should be one of the purposes of this Commission.

The following statement, however, may give some hints in this direction. It is taken from testimony by Archibald Rogers, architect, of Baltimore, before Abraham Ribicoff's Senate Subcommittee on Executive Reorganization of the Government. Since Mr. Rogers is Chairman of the AIA's National Committee on Urban Design, I should like to bring his entire statement to the attention of this Commission, because it so succinctly defines the design process needed to cope with problems of our time.

I should like to read a few excerpts from his testimony on urban design policy since they are so pertinent to our discussions here:

Ends are shaped by means and process shapes its product.

The end product of the physical design process is our physical environment.

Today, this end product is clearly chaos—a chaos developed during our present century, explosively expanded during its three middle decades and promising continued acceleration in the decades ahead.

The process which produces chaos is itself chaotic. Our failure to create an orderly physical environment is due first to the absence of a coordinated series of goals to be accomplished by the design process and secondly to the absence of a mechanism for depicting such goals.

The failure of the end product of physical environment is clearly recognized. The failure of process is not yet recognized.

He then cites examples of government programs with single-minded goals which often conflict with and sometimes negate each other. He continues:

So long as our environmental programs deal with the physical end product without evolving a coordinating design process, we are unlikely to create a form for our physical environment that will come close to matching in quality the high level of our national aspirations and resources.

On environmental form, he says this:

Environmental form is the result of the total decision making process that ends with the "putting in place" of each component of our national physical fabric.

Its embryo is found in the very beginning of the process—in goal setting; in economic feasibility decisions.

Its final form is forecast in the words of a program statement and in the dollars of a capital program budget.

When "designing" starts—when the planner, architect or engineer begins his sketches—all that remains is to test alternative design concepts against the previously recorded decisions (generally only one foreordained concept is found to fit) and the minor decisions as to the decor that will clothe this concept.

It is no surprise that the design professionals are today regarded as cosmeticians—decorators called in at the last moment to embellish concepts developed prior to their involvement.

Nor should it be a surprise that each new product of such process makes its contribution to chaos; that the users of this product often react to it adversely despite the obvious intention of most sponsors to benefit these users and that the sponsor himself is so often disappointed by the final result of what may have been years of costly effort on his part.

Design is inherent at every stage of the decision making ladder, whether it is recognized or not.

But, if it is not recognized by the decision makers, if it is left latent until the topmost rung of the ladder is reached, its potential for creative physical synthesis is lost.

On design itself his observation is as follows:

[Design] . . . is the fitting together of the separate pieces of our physical environment at each stage of decision making:

1. Relating man-made to natural elements of our environment.
2. Ranging from the microscale of a single building to the broadcast scale of a metropolis or region.
3. Coordinating the tangible program requirements, such as functions and costs, with the less visible but more important intangibles—the social and psychological needs of those who will use and experience the final product.
4. Coordinating these requirements not only horizontally as a two-dimensional plan but vertically as a three-dimensional architectural concept from the smallest to the largest scale of development.

Design is finally the creation, through each such concept at any scale, of that enduring architectural art which should properly be the final purpose of each segment of our physical environment.

Mr. Rogers' entire statement was published in the *Architectural Record* for June, 1967.

With the foregoing as background, I should like to comment on specific items of governmental policy and regulations that profoundly affect urban form.

Effect of Building Codes on Urban Form

Most regulations of national and local codes are honest efforts to insure safety of construction and protection of life. They should be subject to periodic review and revision in the light of new methods and materials which can be proven by tests or experience. There are many items which increase the cost of building whose safety or utility value might well be questioned. These are generally known to the building industry and have often been under discussion for years. The Bureau of Standards is probably familiar with most of them. It is not empowered to act in any way on them except to state what does happen under tests.

Most structural innovations can be accommodated by local codes, if supported by engineering calculations.

Innovations in plumbing and drainage have been harder to push through, since they are sometimes (though not always) opposed by organized labor as well as by local codes. Here again the Bureau of

Standards has made tests on any such proposals submitted to it ranging from plastic pipe to simplified methods of venting. Their findings are available. We see such economies used in the mobile home industry. Why should they not be available to permanent housing if, in fact, they are safe and sanitary? If they are not, why should they be permitted even in trailers?

A fire regulation peculiar to the West would be a useful subject for study and testing. As a requirement, it is a cost burden on certain types of buildings and seriously affects their form. I refer to the "smoke-proof stair tower" requirement for high-rise buildings. It is perhaps a good example of how a single regulation may affect the entire form of the city. Let me explain.

The essence of the regulation requires that one of at least two required stairs in a building be entered from a hall or balcony open to the outside air. In most building types this is no problem to achieve from a planning point of view and levies little cost burden. There is one building type, however, which this regulation virtually knocks out of the running in competition with alternate building forms. This is the slim-tower apartment house, referred to abroad as a point tower, in contrast to the typically larger central corridor, slab-like building. The point tower lends airiness to the cityscape, allows views between groups of them, casts slimmer shadows on other uses around them. They can be seen on San Francisco's Russian Hill where the small land parcels that could be assembled forced this form, whatever the cost. They are common abroad, where one stair and one elevator are acceptable in a small building. They are to be seen in Eastern cities where an ingenious plan device, the scissor stair, allows the two stairs required for exit safety to be built in the floor area needed for only one. With this device backed up to the elevators, a minimum core and public hall space result, and a small number of apartments can be economically wrapped around this core. At least half of these apartments will have corner locations, since eight apartments is the maximum efficient layout per floor—six apartments are better, and four are ideal.

Now you can see that at some point, with a reduced elevator service loading, one could argue for only one elevator if the building were not too high and if elevator dependability is maintained or improved. Thus a desirable building type seldom seen in this country would begin to appear in the landscape. At present it is dropped from most development proposals the moment its higher relative costs are recognized.

Locally, the Golden Gateway makes use of the point tower in combination with the slab-type, in spite of the cost burden of accommodating the smoke-proof tower. I think no one would deny the point tower's contribution to that particular environment and to adjacent areas of the city. This is a form, however, that will not occur under the natural workings of the market where other options are open.

Now, what am I proposing? Only that some objective study be made to see if the smokeproof tower is really necessary for fire safety. If it is,

then should not those Eastern cities be concerned that do not now require it?

In this running critique I would like to offer a word of praise for the FHA's Minimum Property Requirements and the way they are presented. Each requirement is accompanied by an explanation of its intent and purpose. This is why, at this time, for the life of me, I can't think of any of them that are unreasonable.

Subdivision Standards That Block Design

Here I must identify as serious roadblocks to any innovations or modifications certain national and local stereotypes. I refer to a whole series of regulations usually adopted by local authorities prescribing street widths, turning radii for curves, corners, and culs-de-sac, street lighting fixture design, height, and intensity. These are usually administered with unbending rigidity and with little hope of consideration for any variances, no matter what the motivation, whether improved living conditions or lower development costs. If pushed to the limit, this is the one area of standardization that can make all American cities look alike.

No one wishes to compromise demonstrable safety standards, but the very regulations seem drawn up on the premise that "the more of everything the better and safer it must be and our city will then have the highest standards anywhere." Thus wider streets, broader curves, rounder corners, brighter lighting. In a residential neighborhood these do not add up to greater safety, but possibly to just the opposite: Higher speeds, and higher costs per household for needless and unwanted excess "utilities." Often in hilly areas the blanket application of so-called standards can ruin the very landscape whose appeal prompted development in the first place. There are throughout the country examples of older developments with substandard roads that operate sufficiently well to make their adjoining properties both desirable and highly valuable. Householders find less objection to some inconvenience in passing and street parking than they do to speedway planning plus the cost and ugliness of excess paving.

Toward Minimum Recommendations

I suggest a high-level national study group of planners, traffic engineers, architects, urban designers, psychologists and sociologists, if necessary, who might come up with a range of "minimum recommendations" for different planning situations based on actual field tests or other objective methods of assessment.

Signs are a legitimate and vital part of the urban scene. They are a distinct esthetic element, for better or for worse. Perhaps no other element can illustrate more convincingly the disastrous result of making unilateral physical design decisions out of context.

Most responsible property owners have given great consideration to just how a sign looks on their building—its style, its placement, its

size, its appropriateness to the architecture of the building. Many others have considered but not cared—or have not had the ability to judge, or had other overriding commercial incentives. This last group must be helped, advised, or controlled.

It is hard, however, to make any acceptable defense for the giant billboard which has been perched “on a building’s head” so to speak, and by very definition is totally unrelated to what supports it. The giant “ad,” torn as it were from a magazine, is totally incongruous with any attempt at urban design. It throws the entire city out of scale in one stroke. Europe has generally either outlawed the giant billboard or never allowed it in the first place.

For the client companies and for the advertising industry, there is an alternative—and a very good one. This is the poster at pedestrian level: In flat frames on building walls; on all kinds of island forms on sidewalk areas; on flat, triangular, or round kiosks, printed on paper or back-lit plastic. A whole new art form opens up which can add great color and excitement to the place where people are going to be more and more in the future. All trends are that the urban visitor will not be in his automobile getting the hard sell from a giant billboard, but on foot, where a poster will reach him just as well. The kiosk could provide a rental income to the city for the use of the sidewalks, and should be a cheaper installation for the advertising company.

I do not wish to leave the impression that I am against size as such. I am rather against incongruity in the city scene.

I have seen permanent signs bigger than any billboard, in solid neon lights, moving, flashing and in several colors, and found them exciting appropriate additions to the city at night. I refer to buildings in Tokyo’s Ginza, where the signs, often three-dimensional, were designed as part of the buildings. Another device often seen in European cities might be opened up to the advertisers here. These are neon letters without backing which spread across building spandrels in horizontal bands. They are invisible in the daytime when the architecture of the building dominates, and after dark are a distinct and cheerful addition to the nighttime cityscape.

In summary and in most cases, it is not what is done, but how it is done. However, the designer can’t save the day if his hands are tied by all the decisions having been made before he comes to the problem.

Thank you.

MR. EHRENKRANTZ: Thank you very much, Mr. DeMars.

Now I would like to open the session up to questions from the Commission. First, Mr. John Lyons.

QUESTIONS BY COMMISSION MEMBERS

MR. LYONS: *These have been three very interesting presentations, and in the few minutes allotted to me I would like to develop some comparative discussions between our panelists.*

The first panelist, Mr. Eichler, made, I think, four or five suggestions with respect to how design could be improved in the future. Then Mr. Herman made a very clear explanation of the Redevelopment Agency here in San Francisco with respect to the techniques that they follow in encouraging design and in getting results. Then our final panelist, Mr. DeMars, touched upon the weaknesses that are inherent in the lack of coordination and the failure to set goals.

If I could direct questions first to Mr. Herman: Do you think that the present program followed by the Redevelopment Agency in San Francisco does attain the goals and does achieve the coordination that will be needed in the next 10 to 20 years?

MR. HERMAN: Certainly, Mr. Lyons. Within the areas where it is authorized to operate, you do proceed to do the very things that my colleagues here have suggested; namely, bringing design values into the process from the very beginning.

On the other hand, the laws dictate the processing by project areas rather than throughout the community. At the risk of suggesting that redevelopment agencies ought to cover everything—which I do not suggest—I do feel that we should get away from “projectitis.” The present system allows us to have, I think, attractive subareas of a community, but allows the rest of the community to take care of itself—occasionally successfully, and sometimes very badly.

MR. LYONS: *What modification would you suggest that would overcome this weakness of the pockets?*

MR. HERMAN: I would be inclined to suggest that both Federal and state legislation release the present area restrictions. That is one thing that needs to be done. Also sooner or later, Mr. Lyons, I think we shall have to depart from our conception of renewal as a device for overcoming blight. Our cities have many development problems that are not necessarily related to blight, and it would seem to me that the aids that are forthcoming should not be so restrictive nor should the state legislation be so restrictive.

There are legal problems at the root of this, but it does seem to me that the case can be made that the right of the public authorities to guide the development of a city in more ways than the establishment of zoning regulations or building codes ultimately could find justification in the courts.

Freeing up Development

MR. LYONS: *Mr. Eichler, would you care to comment on the differences between your suggestions as to the changes that should take place in the development of our cities and the procedures now, let us say, being followed by development programs?*

MR. EICHLER: The suggestions that I would make—that I did make—are based on my consideration of San Francisco as an existing city. I think many of Mr. DeMars’ remarks, for example, were directed at some new entity that is to be constructed. The problem in an existing city, of course, is far more difficult, because there are too

many things that have to be changed. I think it is a kind of life process. Things wear out that have to be replaced, and this is the situation in this city. Therefore, I would think that a master plan—and I conceive of a master plan as a viable thing, a plan that comes into existence at a given point and then is continually kept up-to-date—would designate the areas that, at the particular time the plan was arrived at, would be subject to redevelopment.

One of the big things that prevents a private person from redeveloping any portion of this city is the difficulty of assembling the land. I once tried this myself when I first started in this business and was even more naive than I am now. I found an area which I thought would be a pretty good square block to buy, turn around, and redevelop. Well, I went around and I had a general idea of what I thought property was worth there, and I was able to make a deal with the first two parties I approached. All the deals I offered were subject to my acquisition of the balance. The next place I came to I found tied up in litigation, and the next place belonged to people living in Austria. Then, of course, by that time the word had got around that somebody was trying to buy the area—so it became an impossibility. The main tool involved in redevelopment is the right of eminent domain. This is what you have to insist upon with the Government. It is impossible for private enterprise to do this without the aid of government, and by government I mean the various state, Federal and municipal agencies.

So assuming there is an area designated on a master plan as eligible for redevelopment, and I wished to develop a portion of it, I would, at my expense if I felt it was that desirable, be willing to undergo that expense, and propose a plan as to what I would do with that property. Then I would present it to the authorities as I have outlined in my paper here. I think the way it is done now, the Redevelopment Agency—I believe it is the Redevelopment Agency that actually initiates this—continually surveys the city and decides, "Well, this particular area should be redeveloped." Then they go through this process of doing this, which is a very time-consuming thing.

I first became interested in redevelopment in 1950, when I launched a project down in Sunnyvale which attracted a great deal of attention. The man at that time who was the redevelopment director called me and told me about Diamond Heights in this city. He said, "You're the kind of man we would like to have developing in Diamond Heights, and we are making a master plan and as soon as we are ready we will call on you." Well, for about every two years thereafter I checked with the Redevelopment Agency to see if they were ready. One day they were ready, and I did quite a bit of developing of the Diamond Heights area, but that was after a span of over 10 years. It was more than 10 years from the date I first became interested in that project until the land became available.

With the system I have proposed, I think you would accomplish two things. You would have more originality and the rate of development would be faster.

MR. DEGROVE: *I was very interested in your remarks, Mr. DeMars, but I will leave you to the tender mercies of my fellow associates on the Commission and direct my questions to Mr. Herman.*

You were kind enough to give us a little growth data on your urban renewal program. If I could pursue that for a minute, in the 400 million dollars worth of projects in one stage or another, you have about 15,000 new units and 2,400 rehab units?

MR. HERMAN: Those are program figures.

MR. DEGROVE: *You then gave us some data on 221(d)(3) in which you listed a number of projects, maybe four or five or six, totaling 800 units. I would be interested to know how much of the 15,000 new units are in fact some kind of effort to meet the low- and middle-income market you talked about, and what rent rates you are getting out of them.*

MR. HERMAN: Let me answer your question, sir, in this way. In the housing program part of our renewal reuse, we categorize our housing product as market oriented or socially oriented. By socially oriented I mean those developments which have some portion of the market, the low-to-moderate-income market, as the ultimate user, with some degree of government subsidy. Sometimes many types of controls are involved. The market-oriented developer is allowed to exercise his own judgment as to what he ought to build within our limitations of density, setback, height, design, and so on. My recollection is that approximately a third of all of our housing programs are socially oriented; but approximately 7 or 8 percent of our socially oriented housing is built and in use as compared with 37 percent of our market-oriented housing being built and in use. It takes endless effort and trouble to get socially oriented housing developments of the kind illustrated for you through the financing process.

MR. DEGROVE: *Why? If you could just sum it up briefly. Why?*

MR. HERMAN: Well, I think for one thing the standards are national. They are based upon the national views as to what is adequate housing and what is not. The price structure here in this community is exceptionally high. If we are not the highest cost city in the country, we have very little room at the top in competition with other cities. Frankly, it does mean that our structures cost a bit more. We are more respectful of open spaces, as these illustrations suggest to you. We are convinced that without such design emphasis we will not attract the kind of population, even among the poor or those of modest income, who will respect the dwellings in which they live. So these things make the job much more difficult.

Finally, I am not convinced that our Government has followed a true system analysis in finding out why housing of this kind isn't built in greater volume. I think it will find, certainly, some faults with the local communities; but I think a great many are within the Federal structure itself.

MR. DEGROVE: *One more question. Put very succinctly, considering the problems and the slowness of getting the (d)(3) type housing going—I think the public views the program in the community as*

simply nonexistent in terms of production of new units. Isn't that so?

MR. HERMAN: That is not quite right.

MR. DEGROVE: *You have new units under construction?*

MR. HERMAN: Particularly the housing for the elderly is moving along much better. But there is strong community resistance against large conglomerations of public, family-type housing, and I must say that I would support that. We have been advancing scattered-unit programs.

MR. DEGROVE: *Right. Then with a fairly modest expansion of public housing units concentrating mostly on senior citizens, with a slow developing of (d)(3) units, and with an extensive renewal program, it seems to me you must have critical and troublesome relocation problems. Is this true?*

MR. HERMAN: They are mixed. They are very critical at the lower end and I think we also face in this community a viewpoint that somehow relocation cannot be accomplished. Actually, by numbers over short ranges, we do have resources for rehousing families. But we do have, in addition, a strong demand on the part of neighborhood residents to stay in the areas where renewal is going forward. This means that through cumbersome and slow processes the housing must be built in the area for these residents as distinguished from using the relocation resources in the community at large.

MR. DEGROVE: *Have you accepted as an objective of your agency this feeling of the people that they like to stay where they are?*

MR. HERMAN: Yes. Very much so. We think this makes very good sense in neighborhoods of moderate size. It does not necessarily make good sense in areas of multiple public interests and purposes. For example, the downtown densely used central business district area would not necessarily, in my judgment, be a suitable place for such neighborhood housing. But generally speaking, in the neighborhood areas this is a cardinal intent of the reuse process.

MR. DEGROVE: *You mentioned the increasing skepticism of people with whom your agency deals about the whole ball of wax. They just don't have much confidence that things promised are going to be forthcoming. Is this related to the view of the people that the housing will never get produced?*

MR. HERMAN: It is, at the so-called low end of the housing product, sir. There is a skepticism about other things that could be done because there are too many illustrations of slow or limited production.

MR. DEGROVE: *Yes, but at the lower end there is some basis for skepticism, I take it?*

MR. HERMAN: I think these people have a right to complain.

MR. WOODBURY: *Under your system, Mr. Eichler, how would relocation be handled? If I get the thrust of your proposal, it is that the Redevelopment Agency would not set as many specifications for projects in advance of their actual start. But suppose your scheme were in operation. Who would be responsible for relocation?*

MR. EICHLER: Well, as Mr. Herman mentioned in his talk, any of these processes involve surgery. There is a point where you have to

make a choice. I mean, do you want to have continued rot or do you want to have a certain operation? I would think that if I had selected a project I wanted to develop I would have to do it in some manner wherein the first building constructed would probably be 221 (d) (3),¹ which would take care of people who are going to be displaced. Now this would mean somewhere at the beginning somebody is going to be inconvenienced.

I don't know where these other places are. In any of the redevelopment going on now, people are being displaced. I don't know where they are going. I don't see any readily available places for them to go.

Another thing might be studied in connection with this. I think there are areas in this city where almost immediately this relocation housing could be provided. I do not think that the 221 (d) (3) program goes far enough.

As I mentioned in my talk, I have built a 221 (d) (3) project in this city which is the largest one of its kind in the country. Incidentally it does have balconies in every apartment, and it has all covered parking other than visitor parking. I do think that you can work with the FHA and overcome a lot of these objections, provided you fight hard enough. It took me two-and-a-half years to get approval of this project, mainly on the grounds that the FHA felt the buildings would be out of place in the area. There were no other high-rise buildings in that particular area at the time. I finally convinced them that some day there was going to have to be more high-rise buildings built here.

Now there is another thing in connection with this 221 (d) (3) project which I think the FHA should make allowance for. I would like to make the statement here that I no longer have any connection with that project, and had I been able to continue my connection there it had been my intention to install in that building some sort of social service worker. I thought perhaps I could work out something with the EOC (antipoverty program) or something of that kind. I got the inspiration to do this kind of thing after paying a visit down to Mexico City where a very large project was being built, and which I had heard contained from 70 to 90 thousand people.² I was impressed by the fact that in each one of those buildings they had a social service worker. People who moved into those buildings actually had come in from the agricultural districts, had no training, no education, no knowledge of the modern amenities. They had to be trained for these things. I find this is even true in buildings such as I have built, and there is no provision made for that service. I think this education should be a component of that type of struc-

¹See page 126.

²Reference is to Ciudad Tlatelolco (also known as Nonoalco Tlatelolco), an urban complex built within Mexico City to provide approximately 12,000 housing units for families of various incomes. The project, which was started in 1960 as a development of the National Urban and Public Works Mortgage Bank, Inc., is now near completion and full occupancy. The total number of people housed is expected to be 60,000 to 65,000.

ture, because you are building things that people are entirely unfamiliar with. They could afford to pay the rent, but their knowledge of social amenities is practically nil.

I think that teaching should go along, hopefully, until society here reaches a better stage of education. Incidentally, I might say that the reason for a lot of the bad taste and poor design in our buildings is the fact that the public doesn't care about these things, and what is thrown at the public all the time through television and newspapers and advertising of all sorts doesn't even help to uplift their taste either.

MR. DEGROVE: *Your remarks, Mr. DeMars, about the so-called higher standards and layout, land development with respect to streets, and so on, it seems to me are worth following up a bit. I think there is a tendency to escalate those things, as you said, so that cities require a little wider streets, wider curbing and corners. If a little is good, a whole lot is better. You make a plea for some attention to this, and some study. Do you have any starts on this? Has anything come to your attention that has been done with these development standards that would be at all significant?*

MR. DEMARS: Well, I cite this case from experience. A number of times we have been involved in projects—and probably Chloethiel Smith and I'm sure Joe Eichler had the same experience: I won't name or locate the particular project, but it is one in which in the layout is going to be a mixture of single-family houses, townhouses, and so forth, a medium-density development. It contains some short cul-de-sacs as part of the pattern. They have about 10,000 houses in the development. We wanted narrow streets to keep the scale down. The houses are small. It was a question in our minds whether sidewalks were even needed on these short streets. Traffic doesn't go through. We wanted something where there was just room enough for a car to get in. There is even offstreet parking for two cars, and there is an apron. A family could have four cars actually off the street. At the same time we have been required to have four lanes available on the widths of these streets into the turnaround. In other words, a continuous parking lane on both sides of the street, plus two passing lanes in the middle. This, in my mind, has taken up a lot of the useful land space that could be built. It has thrown the whole community out of scale in a sense, because the houses are small. It is unnecessary, in my belief, but there is no way for us to prove this. The requirement was in the city standards, and they took pride in the fact their standards were higher than anybody else's. I think this is a burden which keeps escalating.

The same thing: on these same streets, they want the same lighting intensity as on the rest of their through-streets in the notion that if any cars are moving, it ought to be just as light one place as another. Well, there is no way of our demonstrating this is questionable. But it does keep going on. This is a distinct burden, I think.

I would like to know if Joe feels the same way about this kind of thing. Maybe it depends on where you are operating.

MR. EICHLER: Yes, but I once got around that thing by designing the project so that all of the streets were private, and thus we were able to set our own standards. As long as it met safety requirements, they were all right. In other words, there was an area where we built 138 separate dwellings. They were partially row housing, and in order to do away with the street requirements—wide streets and all—we designed our own street pattern, and we were able to get the city to go along with that, which they were perfectly willing to do because they didn't have to take care of the streets.

MR. DEGROVE: *Have any comparative studies been made of these kinds of requirements in various areas that might be useful in showing what is actually needed?*

MR. DEMARS: I don't know at the moment.

MR. DEGROVE: *I guess that is my time limit. I wanted to ask Mr. Herman about his use of design competition and I simply mention that in the hopes maybe some of my colleagues will take it up.*

MRS. SMITH: *I would like to ask first a question of Mr. Eichler. Have you—or has anyone you know in San Francisco—made a study of the cost impact of many of the code requirements that we all fight against? I haven't yet found in any city a really careful comparison, so that the total impact on any one level of the development—*

MR. EICHLER: I can only tell you, Mrs. Smith, as it pertains to single-family houses. If we were to build the same house in San Mateo County as we do in Santa Clara County, our electrical bill would be 50 percent higher. In other words, it would be about \$500 more a house on, say, a \$30,000 house, which I think is a considerable burden for a homebuyer to bear. This has been going on for years.

MRS. SMITH: *I know, and we keep talking about it.*

MR. EICHLER: Despite all the protests and everything that is done, nobody has ever made a dent in the thing.

Cost of Good Design

MRS. SMITH: *We find more examples on single-family housing and can't seem to close in on multiple-housing very well on figures. If you know of anyone who has them, I think we should get them.*

I would like to make a comment, then ask a question. Mr. Herman made one of the most provocative suggestions I think—which is to actually build something. I think our communication with people as we sound off a lot of fine words about urban design, and coherence, and a lot of other stuff that we say to each other, is absolutely meaningless. Even the most sophisticated client can't walk around through a model, no matter how good a model.

My comment leads to a second suggestion that seems to me a good place to start. Could all possible city facilities be designed and installed in a low-income neighborhood—the schools, streets, parks and so on—by getting all city departments together and quickly showing what can be done as far as design is concerned? It might give people

a sense of hope. If you go into a poor area, half the lights are out and there's no paving. I would like you to comment on that in a moment.

I would like to make a further statement and propose a question which applies to public finance as well as private finance. Somehow architects have always been embarrassed about talking about money in their own profession. The financial boys don't get embarrassed. The builders don't get embarrassed, nor does labor. But we get to architecture and have that statement by the AIA, and there is not one living word about what it costs to design. The public as well as the private commitment to money for design is, I think, a far more important thing than a lot of long lists we make.

How can we possibly convince people that good design has meaning, has value, unless we have time—not rush the last minute and whip up something, but time to make all of the elements of a design meaningful? How do you do it in the public sector, and, Mr. DeMars, how do you do it in the private sector where there is no money either for mortgages or FHA to do advance design, let alone handle a demonstration such as Mr. Herman was talking about?

MR. HERMAN: Could I comment first?

Permit me to take a moment of my answer to address it to Mr. DeGrove. I hope you took a look at the narrow streets in Diamond Heights. I know they serve the purpose because I have had complaints, not from the people who live there, but city officials who design streets!

Getting back to your question, Mrs. Smith, I have worked in different cities on how to bring a stronger design component into the housing process where, as I am sure you readily appreciate, the bulk of the production is in private hands. I am not a great person for "systems" in this particular field. Your chances of getting good design are vastly increased if you have serious commitment up top side. The mayor of a city can get good design if he wants to.

MRS. SMITH: *And pays for it.*

MR. HERMAN: Yes, and pays for it. He has means if he wants it enough. We have a substantial budget for design functions because we believe this element is important, and we fight for it, and we think some progress will be made. We are even able to induce the other public agencies that bring their buildings and structures into our areas to put far more attention to design than they would otherwise.

We have reached this stage of the millennium, but there are many problems. Essentially it is a matter of commitment first, and budgets and technical staff, second. We have, for example, asked permission to spend project funds for design explorations, competitions, and awards. We have found, upon adequate exposition, a sympathetic attitude. I think, for example, in your urban situations the renewal process has accelerated the interest in city design more than anything I know of in the last century. It isn't easy. It is just something

to keep fighting for, but it does take money and we do put money into the process.

MR. DEMARS: Well, as a fellow architect, I would like to support your question about the cost of design, because the whole modern architectural revolution that took place maybe 30 years or so ago seemed to be based on the notion that modern architecture would cost less, and that good design would cost less. In fact, we even have a local businessman who has made San Francisco famous—Richard Gump. His store is one of the places to visit in San Francisco, and I admire what Mr. Gump has done. But he unfortunately made a statement some years back that “good taste costs no more.” Unfortunately, the architects have sold this idea too.

MRS. SMITH: *In desperation.*

MR. DEMARS: Yes, in desperation. Probably good design does cost more. It costs more to produce by the architect. But when one starts to say this to a client, he will say, “Gee, but we came to you. You are a good designer, and you will do the work right away. You won’t have to flit around like others would, you see, and spend a lot of time.”

The late Eero Saarinen, who was probably one of the most famous younger architects some years back, who did the TWA airport at Kennedy, and so on, used to tell how they won the competitions. They did a hundred sketches of alternative ideas. Then they took the best, and did a hundred studies of that alternative, then a hundred studies of the best of those alternatives. In other words, it was a simple matter of a tremendous amount of work. This was Eero Saarinen, who was considered a great designer. This is why it does cost something for an architect to produce better than mediocre things like someone who can pull it out of the bottom drawer and simply grind it out.

MRS. SMITH: *Let me bring up one last question, which I hope we can review, about the proliferation of architectural review boards, particularly in the public sector. Are we getting to the point where everybody is reviewing, and there will be few left to do the work? The public decision-making is being taken on by architects sitting on review boards. Don’t we need a better system?*

MR. EICHLER: How about the architects turned critics?

MRS. SMITH: *That is another subject.*

MR. HERMAN: Could I offer a brief comment on your interesting observation? I think there is a proliferation going on and it does have its problems. But I might say we have a fundamental rule in our agency, which is never to let our advisory panels make decisions.

MRS. SMITH: *But the Government should hire consultants and make their decisions like great big boys and not depend on free pious AIA men.*

MR. HERMAN: No, I don’t make my point clear. The review people we have are properly compensated, but they give advice to those who have to live with their political decisions, and I think the po-

litical people should make the decisions they have to live with.

MRS. SMITH: *I do too.*

MR. EHRENKRANTZ: The next questioner will be Senator Douglas.

The Matter of Densities

MR. DOUGLAS: *I would like to ask a quasi-arithmetical question about maximum desirable population density. Suppose you take a plot of a mile square, a plot of a thousand feet by a thousand, or a new city of 600,000 people. What is the maximum population density in each of these units, and what is the desirable density? Is there any agreement on this point?*

MR. DEMARS: I think there are all kinds of possible densities that can be made livable. Depending on a number of circumstances, I think one can sometimes have a higher density in a hilly area like San Francisco than in a flat area. One might propose that because people can look out over the housetops, they can see distance. They don't have a sense of being crowded quite as much. I think a mixture of densities is desirable; that is, you may have pockets of high density if they are immediately adjacent to lower-density areas.

MR. DOUGLAS: *That is why I used different environments, so to speak, 23 acres, roughly, or a square mile, or areas of say 12 or 15 square miles.*

MR. DEMARS: We might use something that we are mutually familiar with—the Golden Gateway—as an example of a high-density urban area which does seem like a reasonable kind of environment. It has a rather high density, with a hundred persons to the acre, probably 300 persons to the—

MR. DOUGLAS: *That would be 120,000 people to the square mile?*

MR. DEMARS: I don't know whether one would necessarily propose that that pattern continue across. I think you could have a higher density than that in a few areas. It begins to increase problems. It is an easier density for higher-income people to live with. Higher-income people have fewer children, don't they? I think the Golden Gateway works better without having too many children. That is what it was planned for, in a sense.

I think other problems come in. The larger families need to be in the lower-density areas. The pockets of higher density are more appropriate to smaller families.

MR. DOUGLAS: *Does this mean there are no norms?*

MR. DEMARS: I think there are a series of experiments that in given parts of the world, including America, could be set up for this. I think there are already some.

MR. DOUGLAS: *What are the norms?*

MR. DEMARS: I don't know that I could list them right here.

MR. DOUGLAS: *There you go. This seems to me to be a fundamental decision somebody has to make. I am just an ignorant person seeking the light from this distinguished group, and we have dis-*

tinguished architects on the panel. Perhaps they can throw light on this.

MR. HERMAN: Senator, the longer I live with this problem of densities, the less respect I have for norms in this field. On the guidance of my professional staff in the field of architecture and planning I am far more concerned with how a given area will work and operate, how the people can enter comfortably and get out comfortably, and whether they can have open spaces, privacy, and so forth. These things concern me far more than the norms.

MR. DOUGLAS: *Open space certainly relates to greater density. The greater the density—*

MR. HERMAN: That is right, but we hope development can be approached as a design problem. For example, if I may go back to one of my first illustrations where I commented with some pride that the architects had brought their development up to only 74 percent of allowable density, I don't think they undertook the solution of density with a slide rule. They treated it in terms of design—what would make an attractive living environment. They wound up with 74 percent.

MR. DOUGLAS: *It is the natural desire of a developer, other things being equal, to get as great a density as he can, because you have more people paying the rent or buying land. Does this mean that you should abandon all standards and just let him go to it?*

MR. HERMAN: No, sir. You can't do that where you have some degree of public control over it.

MR. DOUGLAS: *But what standards should the public use in applying this?*

MR. HERMAN: Well, the public can have some arbitrary standards that are not too high in terms of density, but it ought to make allowances for a better design that comes along, that uses more density. In my judgment, even if a developer met the density standards, and he had a poor design, I wouldn't let him build.

MR. DOUGLAS: *He obviously has some standards, because you speak of this developer having only 74 percent of the permissible density.*

MR. HERMAN: They vary with areas. We use what we call a room count, and my recollection is that ran anywhere from 150 to 275 rooms per acre.

A SPECTATOR: In terms of dwelling units, that turned out to be what?

MR. HERMAN: 35 units to the acre. Maybe the allowance there was, say, 45 to the acre.

MR. DOUGLAS: *Rooms or units?*

MR. HERMAN: Well, it so happens that the formula used in this case was rooms.

MR. DOUGLAS: *Down to the acre?*

MR. HERMAN: It ran from 150 to 275.

MR. DOUGLAS: *That would be about 50 to 175 people?*

MR. HERMAN: No, sir. That would be a room count. It would be,

to my recollection, something like 40 to 70 households per acre, in this range.

A SPECTATOR: Household in that case would be 3.5?

MR. DOUGLAS: *How many people to the household? Four?*

MR. HERMAN: A little bit under that, sir.

MR. DOUGLAS: *140 to 280 people to the acre. How do you know that is right?*

MR. HERMAN: It depends on how the project works. If it works well it is great. If it doesn't, it is bad.

MR. DOUGLAS: *You decided in advance of the project?*

MR. HERMAN: Well, we had all sorts of designs, and we examined how many people were going to get into this place and carry their bundles in, what they were going to do with the cars.

MR. DOUGLAS: *I think I have taken up all the time I should.*

MR. DEMARS: It will also depend on whether you are speaking of net density in a given area. Then when you place that in a city planner's—

MR. DOUGLAS: *That is what I was getting at on the basis of a square, a thousand by a thousand feet. It would be 23 acres, roughly. Then a square mile, on the basis of a city. Say 10 square miles at least.*

MR. DEMARS: I think the planners usually have standards of how many playgrounds are in a given area, and then how many small play areas, what distances they would be, and how far to walk to a school.

MR. DOUGLAS: *Have they agreed on certain norms?*

MR. DEMARS: I think there are some agreements on these things.

MR. DOUGLAS: *Would you be willing to take on the job of finding out what this agreement is, and let us know?*

MR. DEMARS: I think we could send you a list of the roughly agreed norms, the quarter of a mile for walking to the lower-grade elementary school, and so forth.

MR. DOUGLAS: *We shall await this with interest.*

MR. DEMARS: And I can get Justin to help. We will collaborate on it.

MR. EHRENKRANTZ: Next will be Mr. Richard O'Neill.

MR. O'NEILL: *My first question is to Joe Eichler.*

Joe, what vested interest keeps the electrical code in San Francisco and San Mateo back in the 19th century?

MR. EICHLER: Well, I guess that's a weighted question. And I suppose you'd want me to say the unions.

MR. O'NEILL: *No. I don't want you to say anything at all. I want you—*

MR. EICHLER: I believe that would be the case. I think it's now more inertia than anything else.

MR. O'NEILL: *But originally the electrical union?*

MR. EICHLER: Yes.

MR. DEMARS: You mean pre-Edison.

MR. O'NEILL: *Next question. Mr. Herman, in your socially oriented 221 (d) (3) special assisted housing, what are the rent scales?*

MR. HERMAN: They are running—these are rough figures—from about \$110 to \$115 for one-bedrooms; \$125 to \$134 for two bedrooms; and \$145 to \$150 for three. These are existing units. And in my judgment they will run 15 or 20 dollars higher as the next batch comes on the market.

MR. O'NEILL: *And under that special assistance—is that at an interest rate of three and five-eighths?*

MR. EICHLER: Three percent.

MR. HERMAN: Three percent of market rate, plus a reduction in the price of the land.

MR. O'NEILL: *We had a witness yesterday who said that the first hundred families that moved out of the Western Addition disappeared from San Francisco. In other words, they had to move out of San Francisco entirely. Can you comment on what rent levels they paid before the redevelopment, and where are those people now?*

MR. HERMAN: Well, one of the local horses that is flogged regularly is what happened in the first Western Addition. It was before my time, so I have to some degree—not entirely—some objectivity about it. Actually, two out of three of the householders were found by independent study of the University of California to have moved into good housing. And, of course, there was a range of rentals paid prior to the displacement and obviously a range paid afterwards. But by and large the increases, as I recall them, ran, oh, approximately 15, 20 percent higher. This shocked some people. It hasn't shocked me. I think if you get a better commodity you ought to pay more for it.

MR. O'NEILL: *You mentioned that you have resources for rehousing the residents in the same area. What are those resources?*

MR. HERMAN: It's the type of housing that you see pictured here. These first developments are on sites from which no displacement of householders is necessary. And we also are pushing—although it's a very slow process—the rehabilitation program. We are encouraging and have had the cooperation of the Housing Authority for scattered public housing units. So there will be a very substantial but slow utilization of the area by those who are now residents of it. And these areas do lend themselves to such relocation.

MR. O'NEILL: *Thank you.*

MR. DeMars, you said that our environment is in chaos, and that the reason for that chaos is the failure of our process and the fact that we have no goals. And you obviously would like a more orderly environment. Do you believe that the public finds our environment in chaos?

MR. DeMars: I think they find many parts of it so. Now, one might use San Francisco as a case which, from certain planning points of view, might be considered—from visual points of view to some persons—chaotic. The term is an adjective. San Francisco has a kind of design which benefits because of the hills, and so forth. I

would say this is a kind of natural growth. It's one kind of city esthetic. And I find myself that it's quite beautiful. And most people do react to this.

This same situation under other circumstances can appear extremely chaotic. I think that the chaos, as you get far enough off, particularly from an airplane at night, looks highly organized and very beautiful. As you get closer to it, there are whole areas of cities that are obviously a jumble of competing uses and undeveloped potentials, and so forth. There is no other name to give it but chaos. It would seem to me with the pressure for places to live and for the use of land we probably can't afford to leave whole areas of cities waiting to be developed. There ought to be some way of pushing their development. They need a guide on how to be developed. And I think if we think of the city merely as a kind of jungle for speculation—and a great many people do think of it as this—we are going to have this fundamental conflict with the city as a place to live.

MR. O'NEILL: *Well, I think that your judgment may be too subjective. You are imposing your own values as an architect on the landscape. Now, for instance, we've got a lot of what you and I call urban sprawl in the United States, urban sprawl created by our bodies of zoning laws, but I'm not so sure the American public dislikes sprawl. I think they lap it up. I think they love sprawl. And I think they love what you would consider chaos. And maybe they love the jungle.*

MR. DEMARS: I love a certain amount of chaos myself. And I have been accused of being in favor of planned chaos, which I sort of am. I think, however, there are alternatives. Now, people like the actual fact of the suburban area they go into, and the fact that they have their piece of land and all of these things. The question is whether some of that can't be achieved without having completely obliterated certain other values that were there. There were open lands surrounding the cities before. The whole Peninsula south of San Francisco once had beautiful orchards. And you had a sense of a contrast between built-up areas and a bit of greenery to breathe in—a relief. Now, usually the American who enjoys this suburban sprawl or enjoys the chaos, perhaps, reacts to open space. They react to the beautiful bay around here. I give no one credit for what San Francisco is. If the bay had not been there it would have been filled with tract houses. So it would have been one solid thing. But here we have this open space. People do appreciate it. People appreciate Golden Gate Park. What would have happened if someone hadn't thought about it in the 19th century? There's a kind of tendency today to let things take their way under a certain amount of guidance. And people lose their alternatives. They do like sprawl because they don't know anything else.

I think if presented with some of the possible alternatives they might find it even better. They might have their sprawl, and some of the sprawl in pleasant contrast as well.

MR. O'NEILL: *You used the term "new towns" a number of times. And you said that Reston is self-sufficient.*

MR. DEMARS: I said it had industrial development. And this was the concept of the thing, that there would be a degree of that—but it's not completely self-sufficient. I don't think most of the new towns are thought of in these terms anyway. But this is a part of the idea. I believe that is so, isn't it, Mrs. Smith? And Reston's industry, of course, is Government. I believe some large governmental offices are going in there. That is, it will be an employment center. In other words, this is a town where the people walk to work, in a sense. This is one of the things that is going on there, rather than just being a suburb with people all leaving the suburb to go to work in the city.

MR. O'NEILL: *What is the difference between a big subdivision or planned unit development and a new town like Reston—just the fact that Secretary Udall saved it with a Government installation?*

MR. DEMARS: No. Reston is only one element in a series of some dozen satellite communities that were proposed for Washington, D.C. in the so-called Year 2000 Plan. It's a scheme not unlike what London has developed. Copenhagen has a similar one. Stockholm. Most modern cities in this middle part of the 20th century are seeing this as the way that urban development should take. Now, the city shouldn't just continue to be a great overall, covering sprawl. There should be a stop, an edge to it, then one should jump out. With the techniques we have for transit, all kinds of transportation, it is possible to do that. It's possible to get both a place to live and the communication, and to get the open space. There seems to be a kind of agreement on this. Radburn, for example, has very consciously been planned to be one such city.

MR. O'NEILL: *Right. In other words, a new town, then, in this country has come to mean a bedroom community placed around and near a big metropolis?*

MR. DEMARS: No. The concept of Reston, as I understand it, is exactly the same as the concept of Vallingby. A satellite city means that not everyone works there. It's within a reasonable commuting distance to a large metropolitan center where the opera house is, for the highest levels of culture which you use occasionally.

However, the ordinary life can go on in this town, and a good deal of the employment—I don't know what percentage one would say—of the people in the town other than taking in each other's laundry will be actually located there. I don't know what the percentage is, but maybe as much as 30 percent of the people might be commuting to Washington, maybe less. But the fact that a great many of them do not is a help in reducing the needless travel back and forth.

MR. EHRENKRANTZ: We will have to break in.

The next questions will be by Anthony Downs.

MR. DOWNS: *Mr. Eichler, is it the variability of codes from one*

town to another, or the specific content of a code that causes you the most problems?

MR. EICHLER: Well, I would say both. Take the variance of codes for a man like me. I build in Santa Clara County, let's say, in San Mateo County, and San Francisco. Let's say I'm building the same type of thing in those three places. There are a great many changes I would have to make in the plans to accommodate the codes in those various places.

MR. DOWNS: *Is it more expensive if you took the high cost code of San Mateo and applied it everywhere uniformly?*

MR. EICHLER: Sure.

MR. DOWNS: *That is, worse. That would be worse than having the variation from one place to another with some possibility of low cost?*

MR. EICHLER: Oh, yes. I would think that would be worse. Yes.

MR. DOWNS: *The specific content is more important in most cases than—*

MR. EICHLER: They're both important, though.

MR. DOWNS: *You gave us an estimate of \$500 per unit on electrical alone as the cost of this particular code. Have you ever made an estimate of the overall addition to cost that all of these antiquated codes might make on your building if you could build one that you think would meet the standards in your own mind?*

MR. EICHLER: No.

MR. DOWNS: *You don't know of anyone else that has made such an estimate that you know of?*

MR. EICHLER: No, I don't.

MR. DOWNS: *Would there be any way for the National Bureau of Standards to operate in such a way as to produce specifications that would be uniformly accepted across the country that would, in your opinion, make this—*

MR. EICHLER: I couldn't answer that question. That would be strictly a political question.

MR. DOWNS: *Well, may I ask you another question? Would the competition that Mr. Herman was describing—this architectural competition—increase the cost of your engaging in it?*

Say you're one of five people entering into competition. Do you have to figure more money on that kind of an arrangement than if you had a negotiated agreement with them?

MR. EICHLER: I'm sure if I didn't get the job I'd be out the cost of whatever it cost me to prepare whatever I did prepare. Personally I don't compete. I'm above it.

MR. DOWNS: *Mr. Herman, would you like to comment on that?*

MR. HERMAN: Well, I know Joe Eichler. He did compete and sometimes he wasn't above it.

MR. EICHLER: That was the last time.

MR. HERMAN: We always were glad to see him, because generally his architectural interests were stronger than most developers. Occasionally we had very strong differences of opinion. I think time may

have borne us out as correct. But that, again, may be my opinion which he wouldn't share.

I think there is some increased cost by virtue of developers getting into competitions. But on the other hand, developers also have costs as they go around looking for jobs, investing money to see what they might be able to do with them.

I consider this a cost of doing business. I think from experience we will say that those public agencies that create competitive or trial situations do have a responsibility to set the ground rules, so that the cost can be kept to a reasonable figure. We have observed situations where there were inadequate ground rules, where the developers themselves went to outrageous expenditure in order to persuade public agencies and the public at large on how superior their showmanship was to that of others. But this is really unnecessary. I think that the essential costs are really quite minimal in the total cost of doing business.

The Pace of FHA

MR. DOWNS: *How long does it take the average 221(d) (3) application you worked on to get processed by FHA?*

MR. HERMAN: Oh, we don't get high blood pressure until about two and a half years pass. And then—

MR. DOWNS: *Do you think it's possible to have a program of any size whatsoever that will—*

MR. HERMAN: No, sir, I do not think you can get—I just don't think we have got the formula for getting this kind of housing built in great volume. We have had other Government programs that are much faster and simpler. For example, the College Housing Program.

MR. DOWNS: *It takes the University of California an average of four years to plan and build a college house under that program.*

MR. HERMAN: On the other hand, that is the University of California's experience. My own experience with it when I was with the Federal government was that we could move it along much faster than housing projects.

MR. DOWNS: *Well, do you really think that FHA under any circumstances could administer any flexible program? Don't you think their rigidity is already so built-in—*

MR. EICHLER: Could I answer the question?

MR. DOWNS: Yes.

MR. EICHLER: In the project that I had, my difficulty was to get the FHA to approve the project at all, the feasibility of the project. But once they approved it, it went through in about four months.

MR. DOWNS: *But it took you two and a half years to get them to approve it?*

MR. EICHLER: Yes. But I don't consider that—I didn't consider that part of the processing. If I had come in to them with the type of project that they wanted, it would not have taken anywhere near that time.

Now, what you're up against in the FHA is their own desire, whether they want one of these projects to go up or not. And I think at the present time that they're thumbs down on all of these projects. And they're going to delay them for a considerable period of time.

MR. HERMAN: In getting back to the question you addressed to me, I think that it is possible to set up a system of insurance, of financial aid, or whatever you want, which will operate on a much faster basis than we have got at the present time. We absolutely have to do it, because I cannot conceive of a neighborhood being patient and waiting for four, five, ten years for a housing product to be delivered. It's absolutely ridiculous to take that length of time. This is not an attack on FHA. But I don't think the system is right.

MR. DOWNS: *Do you think the system would work better if we gave poor people higher incomes and let them worry about their housing?*

MR. HERMAN: Well, it so happens that I am a very strong advocate of a national work program—which we really do not have at the present time—to enable people to move more freely around in the normal work market. This is missing at the present time. I'm hoping when we get over the Vietnam situation that in some fashion we will turn to a national work program for those people who do not have the means to compete for housing in the market.

MR. DOWNS: *But to go back to my question, do you think an income subsidy without a direct housing program will be more effective?*

MR. HERMAN: I think you must have housing programs. Just an increase in income alone will not solve the problem.

MR. DEMARS: That would simply raise the rents of poor housing.

MR. DOWNS: *Let me ask you, Mr. DeMars, are you aware of the fact, which I believe is correct, that all the Scandinavian countries you mentioned have acute housing shortages?*

MR. DEMARS: I'm somewhat aware of that, yes. At the same time, I might say they have no choice but to live in these towns and so forth.

MR. DOWNS: *And don't they pay top money in order to get the housing? The privilege of occupying one of the units in one of these things is quite strong because of the shortage of housing, isn't it?*

MR. DEMARS: Yes.

Coordination of Design

MR. DOWNS: *Do you seriously believe that any coordination of design is possible with 2 million housing units a year, which is what we'd like to have? Or even with a million and a half units?*

You mentioned this idea of coordinated design, having the entire community, in effect the whole Nation, coordinate their architectural design. And, as Mrs. Smith pointed out, with a proliferation

of review boards, do you think we could coordinate the design of a million and a half—

MR. DEMARS: I don't think you could coordinate from the top down in a great network of—

MR. DOWNS: *How do you coordinate it?*

MR. DEMARS: Well, I think this process that's being discussed is a thing which most schools of architecture are discussing—the actual way in which you program and produce things. There's more knowledge about ways of doing it.

MR. DOWNS: *Would you name one?*

MR. DEMARS: Name one which?

MR. DOWNS: *One way of doing it.*

MR. DEMARS: Well, I mean it's simply that. I think there is a tendency to assume that the designer, as I brought out in Mr. Rogers' statement,¹ is brought in after all the decisions are made. And then he sort of puts it all together. Now, this is a plea, when we speak of coordinated design, that in any given operation, if it's a town, the people working on it who have all the different kinds of talents need to be brought in early enough so that they—

MR. DOWNS: *But towns are built by individual persons building different parts of it. Your suggestion was, as I understand it, that they should coordinate the design with each other before they build anything, is that right?*

MR. DEMARS: This is probably too long a question to try and explain in one sentence. I think what I'm proposing is a perfectly workable thing.

MR. DOWNS: *I haven't heard what you proposed yet.*

MR. DEMARS: Well, when one speaks of coordination it means that instead of a multitude of unrelated projects and activities going on, each with only its own goal in mind—freeways, interchanges, transit or whatever—if each of these builds its particular program through without caring what impact it has on any others, then you have the situation of chaos.

MR. DOWNS: *What is the alternative?*

MR. DEMARS: Everything is chewed up. The alternative is that somebody—not somebody but a body, a group—are in the position to see that these programs are coordinated. And it, roughly, can be called a city planning activity.

MR. DOWNS: *You mean a way to coordinate them before we build any of them?*

MR. DEMARS: Well, this is an ongoing thing right now. It's a question of the degree of application.

I would just make one more comment. I was comparing the sort of look and feel you have in certain European cities that seemed to have been able to rebuild after the bombs. They have built subways. They have built houses, and so forth. It's not all perfect, but there is a sense sometimes when you see it that somehow or other many

¹See pages 302-3.

of the rough edges have been taken care of and the thing has been coordinated.

Now, typically, European cities such as in northern Germany and in Scandinavia have a city planning activity. It is manned with 10 times the people that we typically have here.

Stockholm has something like 300 employees in their city planning department. And they are actively working on all of the new things proposed for the city, comparing them and weighing them. This is true also in some German cities. The city planner actually has streets, parks, and so forth under him as an ongoing activity. So, obviously these are going to be more coordinated, typically.

MR. DOWNS: *And yet there is a great shortage of housing—*

MR. EHRENKRANTZ: I am going to have to interrupt at this point. The next questioner will be Mayor Tom Vandergriff of Arlington, Texas.

MR. VANDERGRIFF: *I'm afraid that the chairman has indicated my local officialdom, and I suppose that that slip is now going to show. The architect wants greater flexibility; the developer wants greater flexibility. Mr. Herman has commented on the fact that there is a great lack of confidence or trust in local government. I would submit to San Francisco that, if it's any comfort, you are not individual in this respect, because nearly everywhere we go this is the case. In fact, in a good many cities we visited, the mayor isn't even going to run for reelection.*

Mr. Eichler, I'd like to direct this question to you. One of the reasons the public doesn't seem to have much faith or confidence in local government today revolves around the agreements that local government has reached with developers as to how something is going to be built. Perhaps they have given some zoning variance in order to see that something is built in their community. But the actual development doesn't look like the pictures the architect painted in the exhibits that were submitted when the agreement was reached, or it doesn't look like the developer said it was going to look. I don't criticize the developer particularly for this, because I know that sometimes conditions change and there has to be some flexibility. But what would you suggest as a reasonable set of ground rules to which a developer can be restricted or kept within, so that the finished product out on the landscape there looks somewhat like the pretty architectural plan that was submitted when the agreement was originally reached?

MR. EICHLER: Well, that's what he should do. If he presents the plan, that's the way it ought to be built. And if he has any changes, they should be more in the sense of modifications. But generally speaking, I think when a plan is submitted—I mean if it's awarded on some basis, that's the way it ought to be built. That's the way I do it.

MR. VANDERGRIFF: *He should adhere to that plan?*

MR. EICHLER: Yes.

MR. VANDERGRIFF: Well, I'd like to talk to you about investing in my city if I might. Your tribe should increase.

Mr. Herman, I believe you made the point that everybody seems to want, or nearly everybody wants, to stay in the area where there is some redevelopment. They want to continue living there. This is fairly consistent through all our hearings. Wherever we go, it is most generally the case.

In fact, it bothers me just a little bit, because maybe our emphasis is misdirected sometimes. We want to relocate people. We, who are great thinkers, believe this is what ought to be done. Well, somehow the people don't want that. Just as Mr. O'Neill pointed out, maybe they like the so-called sprawl. Yesterday we called them slurbs. Maybe we need to stop worrying a little bit more about preventing these slurbs and building better suburbs. Similarly, maybe we need to think more in terms of relocating people within these areas being redeveloped. You mentioned demonstration housing, and this interested me a great deal. Have you done this within the areas where you are redeveloping?

MR. HERMAN: No. The nearest things we have to that, Mr. Mayor, are, again, the illustration before you there. But technically speaking that doesn't qualify, because we are in the operational stage. And this is the first product coming out. We don't do it, because there are restrictions in the Federal law and in the state law in this respect. And our agency has a drive on to get the state law modified to make this possible in the planning stage, the very first part of the planning stage. We have also made suggestions to the Federal government that it seek Congressional modification of the existing Housing Act of 1949 to permit this to be done with Federal planning advances in a renewal area at the very outset of the planning process. We have not done it. We think very strongly it should be done. As I've indicated in my testimony, I'm convinced we'd have a far better working relationship with the community if it could be done.

Way into Building Codes with New Products

MR. VANDERGRIFF: I think that is an excellent idea and one of the best that's been advanced to us through all our hearings. And I urge your pursuit of it. I think we should pursue it as a Commission.

Mr. DeMars, because our Chairman wants us to adhere to a time schedule, I will pull a sneaky and ask you two questions so that you can allocate some time to answering both of them.

You and Mr. Eichler also mentioned some concern about building codes. Do you have opportunities here in San Francisco or in California, or with whatever codes you are working—do you as an architect, or do the construction people and developers, have the opportunity to recommend changes in the building codes as new techniques, new materials, come into play? If so, do you do this, and what's been the measure of your success?

Secondly, just with respect to changing building codes—keeping

them modern and up-to-date—is one of the goals to produce economies? You mentioned economies that you have seen in mobile home construction, and the fact that you couldn't see these in the more orthodox construction. Are these things permitted? What things exactly are you talking about to achieve greater economies that you might incorporate into local building codes if you could do this?

MR. DEMARS: Well, to work back from that last question, particularly mobile homes and trailers will use plastic pipe. This can be pressed out with a particular run of plans that are being used. The whole plumbing tree, as we call it, may be sort of prefabricated in one piece. It isn't made up by the putting together of various joints and so forth, as with cast iron pipe. This has been tested. I know that the Bureau of Standards has made tests on some of these. I don't know to what extent they have given their complete blessing to them.

I'm just proposing that this whole area is one that if it had some national blessing—and you will have to get the unions, you will have to get the plumbers, you will have to get people involved in it at that level—a great deal of respect would be given to findings of that nature. If the findings can be disseminated, and the message gets out, local people are usually finally willing to accept this kind of thing and make the adjustments one typically finds in dealing with local officials who are employed by, say, FHA and often people who are sitting on subdivision standards. They have read a book that was put out by so-and-so, who said certain things are the best standards, so, therefore, they're going to interpret the codes accordingly. And they're inclined, unless a change comes from on high, to feel that they are following the best practice. So what needs to be done is for someone to put the blessing on that.

On the question of whether I, as an architect, have been able to do anything about codes, I think an architect wouldn't dream of proposing to do anything different than the code. There may be a point of interpretation on a given fact, and if it can be interpreted, and one can show some logic, sometimes there's a little bit of bending. However, the American Institute of Architects itself has committees who are working on codes in Washington. The California Council of the American Institute of Architects, which is a council of all of the chapters of architects from various cities, is in a position to have study groups which can work on this. It takes this kind of a group, a representative group, to work with representative groups of the other sort to see what can be done, to study what can be done. And it may take studies of other places to find out specifically what the technicalities and the technology involved are, which is a long process. This is going on. But if it were given a greater spur by Government, and given some financing to carry it on—it's a costly operation—this could be a tremendous blessing. I think it would finally whittle down—

MR. EHRENKRANTZ: The next questioner will be Mr. Jeh Johnson, who is an architect from Poughkeepsie, New York.

MR. JOHNSON: Thank you. I have several quick comments and a couple of questions.

To follow up what you just said, Mr. DeMars, I operate quite often in areas that don't have codes at all. Architects are compelled there to build to the nearest effective code they can find as a means of protecting themselves legally. Of course, they have to use their good judgment as well. With respect to subdivision standards devised by local planning agencies, it was proven to me that no one is concerned about excessive standards except the vested interests; namely, the town highway department, voluntary fire people, and others who have to perform in these areas. And they have a terrific amount of political strength somehow. The residents don't care about enormously wide streets, and in many cases they have even voted against having street lighting. Lot sizes should vary with the terrain and topography and other considerations. Planning boards don't care about these standards as such. But they find themselves forced to upgrade them because of the functions of people who are working in these areas day-in and day-out. Incidentally, San Francisco is a wonderful place to see the lack of a coordinated approach and total planning that Mr. DeMars is talking about, if you just look down Market Street and see what could have been the front of the Ferry Building.

I'd like to comment on the point tower example that you gave, which I think is an excellent one to help this Commission see how a building code requirement can have a very major impact on the cityscape. I'd like to add to that, even where the scissor stairs are permissible and where point towers could be considered more economically feasible, we don't find as many of them—in New York, say—as we'd like, but for other reasons. In your case the code restriction may tend to make difficult the construction of such a building where, for other reasons, it would make it possible.

I'd like to say too that competitions do cost someone money. It's probably difficult to quantify. It costs the architect money and ultimately it costs the user something. In most of the cases here competitions were won by people who could have been selected at the beginning, I suppose. You have a good reservoir of very fine professionals in this area. Even a stab in the dark isn't going to pull up as bad a product as it can in some parts of the country where the competition would be a much more necessary thing.

Now, specifically, Mr. Herman, in terms of families of incomes in the \$3,000 to \$5,000-a-year range and lower, what is happening to these people with respect to the new building programs?

MR. HERMAN: In the \$3,000 to \$5,000 gross income range, Mr. Johnson, these families are remaining in very substandard dwellings. They are going into public housing. They have the prospect, slowly emerging, of going into private dwellings that are leased by the Housing Authority. And even more remote, if the 221(d)(3) market rate program and the rent supplement program are actually put on a good working basis, they would have a substantial opportunity there. But actually, outside of public housing, there is very

little that these families have. And without deprecating public housing, since I'm a great supporter of it, I would say large proportions of them will not accept the public housing. And permit me to say, since I have the floor for a moment, that later I'd like to show you the plans for the Ferry Building. You might possibly like it.

MR. JOHNSON: *I hope it's a coordinated—*

MR. HERMAN: It is coordinated.

MR. JOHNSON: *I'm sure it is.*

With respect to reduced density in this particular project, which probably had some esthetic merit in that particular case, I'd like to comment that I am a little bit concerned about tendencies in this direction. I feel that with more experimentation, and with more experience, we can learn to provide better amenities even with increased density. And I think it's essential in the long run that we learn to live with increased density.

Finally, a question for Mr. Eichler. I believe, Mr. Eichler, in years past you have had some experience with racial integration in suburban housing, is that correct?

MR. EICHLER: Yes, sir.

MR. JOHNSON: *Would you care to comment on that in the four minutes I have left?*

MR. EICHLER: Well, in what way do you wish—

MR. JOHNSON: *I'd like to know how far it got, how successfull it was, what the level of acceptance of it was? Have the patterns changed, have you found a reversal of the trends that were noted earlier, or have you found a continuing trend towards integration in developments where initially there was not a known public policy?*

MR. EICHLER: Well, I guess I have to start out by telling you my method of doing this thing. I have no set policy. I don't discriminate. I just never did. I would sell to anybody who came in and wanted to buy a house from me who was qualified financially. This was the procedure I followed from the time I started in business. And I still continue to do that.

Well, I never operated in the real low-priced houses. I used to operate in, oh, just a cut above the lower-income levels. About 1955 my price ranges began to get above that. Now, it may be that I have never experienced any real difficulty because the price level at which I was selling most of my houses did not attract a large number of people in the minority groups.

I've been asked how many minority people live in one of my developments. I wouldn't know. I know that there are more in some than in others. But, naturally, I have had, in my career, what I would term some minor difficulties in this regard. But that's all.

MR. JOHNSON: *Well, were they minor? If other developers weren't doing the same thing, then this must have been the source of some financial loss to you even if it was for short periods of time. If you open up a place—*

MR. EICHLER: There have been times when people who put a deposit on a house would come and and say they didn't know that there were

going to be Negroes living in the neighborhood. They'd see these people around and say, well, they didn't know this. I would try to persuade them that this was the right thing to do. Usually the man said it was all right with him, but his wife came from Virginia or somewhere.

There was one period—I don't like to get into this thing—where it became more known that I was doing this kind of thing. This is the only reason I want to point this out. I was a member of one of the homebuilders associations here. And I think the case had just been decided in Sacramento where a builder had refused to sell to some Negroes. And it was under Government-guaranteed financing. The judge ruled that this was illegal. So the executive secretary of the association issued a statement to the press that builders would not use Government-guaranteed financing any longer, and that everybody knows that the advent of minorities into areas meant declining of house values. I read this in the paper and I sent the man a telegram, and I made it public. The telegram stated if he didn't retract that statement I was going to resign from the association. I gave him 10 days in which to do it. Well, this got a lot of publicity. So when the 10 days were up, the homebuilder association had not retracted the statement, so I withdrew from the association. That was a period where my policy got a lot of publicity.

Nevertheless, there are Negroes that live, I think, in almost every development that I have built. And I have built lots of them. And there certainly has never been any decline in their value. I think the values all depend on the product and how the people live together and take care of the product.

MR. JOHNSON: *Thank you very much.*

MR. EHRENKRANTZ: *Mr. Herman, does your experience indicate that the cost of providing good housing through rehabilitation is less than that for new housing?*

Rehab not Universal Economic Answer

MR. HERMAN: Well, Mr. Ehrenkrantz, I think it is a matter of how you want to do your accounting. I find, however, that the whole issue of rehabilitation is not only a very complex cost question, since so many unknowns are faced as a developer or public agency goes into this. But there is also a fact that, at least in some parts of the country, rehabilitation has not, or could not be given sufficient attention. The end product is rather a minimum product in many cases. Now the opposite is true in other cases. Rehabilitation in some areas results in wonderful projects. Conditions vary radically. I don't know how to approach the problem except on a case-by-case analysis basis.

MR. EHRENKRANTZ: *Is there an opportunity through rehab to increase densities in small areas where either apartments were vacant or perhaps where buildings which have fallen into disuse could be rehabilitated?*

MR. HERMAN: I would say in some parts of the country, but not here, sir. Our rehabilitation program, in my judgment, will reduce the densities, decrease the net units, because too many of these units have been cut up into smaller units in violation of the code.

MR. EHRENKRANTZ: *I was hoping to find the facts to the contrary. To pursue another objective, let's go to Mr. Eichler's comments of initially displacing a small number of people to get perhaps a very high-density installation built which could then house people from areas which go through a future renewal process. Then, perhaps by a game of musical chairs, you could seek to rehouse people before their houses were to be torn down. I had hopes that the rehabilitation device might be one of the strategies to accomplish this. Now, if we were not faced with the time delays that have already been mentioned—the red tape involved in getting various projects through—do you think this might be an operative strategy which could, in fact, reduce some of the problems of dislocation?*

MR. HERMAN: I think we will actually be using existing housing for temporary and more permanent types of relocation. But I must say that I cannot subscribe to the idea of having individual developers come forward with schemes on how they would develop a parcel or a block. It seems this denies the whole concept of a reasonably orderly development of a community and neighborhood and also bringing some esthetic values to it. So I could not subscribe to this.

The fact this was tried in New York in the early days and that no one dares go back to it—

MR. DEMARS: You are proposing coordination?

MR. HERMAN: I have to live with coordination and I think coordination is possible. It is tiresome and troublesome, but it can be done and it has been done. I see no other answer to it if you are going to live in a somewhat organized society.

MR. EHRENKRANTZ: *This type of process would actually be a coordinated one?*

MR. HERMAN: It would have to be done under the auspices of some public agency given that responsibility.

MR. EHRENKRANTZ: *Mr. Eichler, we have heard comments on some of the difficulties of bringing new products on the market or using products that we know will perform certain jobs to the full measure of their required capability. Are there also major losses which result because there are things which one knows can be done, but which you never attempt to do because they are contrary to the codes?*

MR. EICHLER: I couldn't answer that question offhand.

MR. EHRENKRANTZ: *Mr. DeMars? You alluded to this in your comments.*

MR. DEMARS: Well, Mr. Eichler actually, in a sense, almost invented a new kind of house when he started doing his work. Your post and beam sort of thing. It was not against any local codes, but it was a little different than typical stud kind of construction. But it was calculable. I think in the structural area it is probably easier.

Would you agree that usually you could discuss structural changes with the local building department? They are the most flexible, because you can usually present them with your own calculations. They can then see whether this adds up, and most localities are rather willing to accept this kind of evidence. It is much more difficult in areas like Greenwich, because there are old layers of people who have various kinds of interests.

MR. EICHLER: What I am thinking relates more to the use of materials. Take, for example, the lobby of an apartment house. We wanted to use redwood boards. Well, this would not be permissible. So you come in with formica. Formica now makes things that look exactly like redwood boards. I guess by now it is accepted, but at the time I was building down there it wasn't, and I couldn't use it. You know, it was a new product and the city wouldn't go for it. So we had to use just ordinary Formica which previously had been accepted, but which I think looks like hell.

MR. DEMARS: Could I add that I think sometimes there probably are fair requirements. But this is one of the strangest.

MR. EICHLER: Because that can burn.

MR. DEMARS: Yes. Another good example is the requirement that the spandrel of a high building would be, say, two-hour fireproof construction. Right above the spandrel, (the solid pieced wall between floor and windowsill) would be a window in which, if a fire of any intensity were burning for any time, the glass would have popped by this time. But that is all right. You can have glass in this window, and in fact the spandrel itself can be of glass, but if it is anything else, then this piece of wall has to stand a two-hour fire. Somehow, somebody has got to take hold and show the illogic of such cases by bringing evidence to bear. As I say, the Bureau of Standards makes these tests. But they do not make pronouncements about this. They simply give the evidence. Someone else has to present them with the task of doing the testing and they will say what happens.

MR. EHRENKRANTZ: Having held other members of the Commission to time, I had better stop myself here. On behalf of the entire Commission, I would like to thank the witnesses for their excellent presentation in response to the questions.

We now throw the session open to the floor. In addition to brief oral presentations, the Commission will welcome written statements of any length.

Is there anyone who wishes to address the Commission? If not, we conclude this session.

(Adjournment.)

TECHNOLOGY, BUILDING CODES, AND COSTS

MR. PELLISH: I am privileged as a member of the Commission staff to introduce our next speaker. My experience in obtaining his appearance today demonstrates that there are examples of bureaucracy in industry as well as Government.

I was very interested in having the next speaker come from the main office of Monsanto, in St. Louis, but I had to go through a lot of red tape before I could secure the permission of his company. I kept going on and on up the ladder until I got to the president's office. Then after I secured his approval I went down the ladder.

Our next speaker is Mr. David Plumb,¹ of the Monsanto Chemical Corporation.

We are interested in learning about the experience of private industry in the application of new technology to the building industry. As head of the Building Products Department at Monsanto, Mr. Plumb has been able to view the problems and the experiences of the industry in this area.

Mr. David Plumb.

STATEMENT BY DAVID S. PLUMB

MR. PLUMB: Thank you.

This testimony is given from the point of view of a man who has spent his lifetime in the manufacture and development of new materials for various applications.

Dave Pellish asked me to give my testimony here today on what we consider to be the pitfalls that are presented by the building industry to those people who are aiming at developing new materials and new products.

And we think we have been quite articulate in demonstrating the pitfalls. In fact, I think this is our main expertise. We are not quite so good at giving you gentlemen a series of solutions to these problems.

Acceptance of New Products Slow

In our opinion the rate of acceptance of new materials and new products in the building industry is generally slower than is the case for practically any other major industrial segment in the U.S. economy. There are special characteristics of the building business which make it difficult, expensive, and time-consuming to develop a viable

¹ In Research Department of Monsanto for nearly 30 years, now heading Building Products Department.

commercial business—whether it be in new raw materials, new products, or complete new building systems. The plastics industry in particular has had a long and significant experience in this regard and presents an interesting case study in the problems involved.

This analysis is made by a representative of a major chemical company which, as a manufacturer of plastic raw materials, undertook the first organized development program on plastic components for structural applications 13 years ago. The analysis in no way attempts to represent the posture of the plastics industry as a whole. After seven years of preliminary research, this company undertook a commercial product development program. The combined research and development efforts involved a multimillion-dollar expenditure. Even after 13 years, a complete recovery of this investment in research and development costs has not yet been realized, despite excellent commercial acceptance of several of the products deriving from it. This experience is not unusual in the plastics industry—in fact, is probably typical. It is fortunate, however, that the long trail of expensive efforts, many of them ending in failure, has not yet completely deterred plastics manufacturers and designers, large and small, from continuing to seek the degree of acceptance in building applications which synthetic polymers have enjoyed in many other fields.

There are good reasons why efforts to accelerate the acceptance of plastics should be beneficial to the building industry. The advantages which plastics can offer to the ultimate consumer of building space are significant. There are three general properties of plastics which are outstanding in comparison to other building materials. First, in many applications they are the lightest weight material available to do the job. Second, they almost always offer a greater freedom from maintenance than can be obtained with any other building product. Finally, they offer unusual versatility in compound and system design because the designer can build into a single component an unmatched variety of properties specifically designed to do particular jobs.

Despite these obvious plus factors, a statistical study made two years ago showed that of the roughly 250 billion pounds of materials used in building, only one percent, or 2.5 billion pounds, were synthetic polymers. By 1970 the most optimistic forecast is that plastics in construction will represent about 4.5 billion pounds or only about 1.5 percent of building materials used at that time, a growth rate for plastics of 10 percent per year. Even more significant are two facts: over half of this amount is in less critical applications such as coatings and glues, and a significant proportion of all this usage is in mobile homes, not fixed buildings. The most significant successful application in the basic building shell itself has been vinyl floor tile, which alone represents 20 percent of all plastics used in construction. These consumption figures are of course most important to the plastics industry. But they represent low participations in contrast with such current usages as 57 pounds of plastic in each automobile

and 17 pounds in each refrigerator—with plastics consumption growing in each case at a rate of 60 percent per year.

It is estimated that if the properties of only those plastics now in existence were used to the greatest extent possible in building applications, consumption could quickly jump from the current 2.5 to at least 7 billion pounds per year. Such greater usage of plastics would no doubt require more extensive research and development on new products, both by private industry and by others, than is being carried out at the present time. It is safe to assume that if the industry itself were fully dedicated, consumption could rise far above even the 7 billion pound figure. When it is recognized that the total output of all plastics for all purposes in 1966 was 12 billion pounds, the significance of the construction market potential becomes obvious.

The acceptance of plastics in this market outside the United States is much more important than it is here. For example, one of the widely used construction plastics is "rigid vinyl," used in pipe, panels, sheets and extruded shapes. In 1965 the United States consumed 70 million pounds of rigid vinyl, or 0.4 pounds per capita, in building uses. The United Kingdom, however, consumed 0.7 pounds, the Common Market 0.9 pounds, and Japan 2 pounds—or five times as much as the United States. In the emerging economy of Mexico, rigid vinyl has been adopted for the entire fenestration system for the sensational rural school building program. In another product area—the use of plastic-bonded safety glass for architectural purposes—the Mexican urban school program is far ahead of any United States architectural glass program.

There is obviously therefore a basic problem in why the use of plastics in this country today represents only a tiny fraction of the building industry, and why efforts to change the situation remain small in relation to the potential market.

Obstacles to Overcome

This basic problem is simple: The technical obstacles are many and complex, necessitating unusually high product-development costs for the producer and market-development costs for the marketer of a new product. However, when the product is finally over all of the developmental hurdles, it invariably finds itself forced to compete with an already accepted existing product serving the same function in the building that the new product was developed to serve. The result is a low limit on profit margin on the new product, which has already incurred high development costs. To compound the problem, the product will be expected to carry a higher degree of product liability than is true in practically any other application. The workings of this dichotomy of high development costs and low returns can be readily illustrated by many examples taken from typical experiences of companies which have entered this field as newcomers with new products, and which have not yet achieved the large volumes necessary to justify their work.

RAW MATERIALS

At the raw material level only, the problems are not as severe. Much of the development so far in plastics for construction has grown from activities of raw material producers by such routes as improved resins for paint manufacturers, new glues for the plywood industry, new plastics for light fixtures or surface finishes and related applications. Bit by bit, the material consumption has gone up to the 2.5 billion pound level, which to the plastics manufacturer is a highly significant quantity.

PRODUCTS

On the product level, however, the problems are quite different. The opportunities to the developer are much larger, but the performance so far has been less striking as the obstacles to success mount.

The obstacles to successful commercial development of plastics for building are in five categories that are best illustrated by specific examples.

(1) *Technological.* A typical case involving purely technical problems concerns a simple plastic panel, several types of which have been developed in recent years and offered either for translucent fenestration or as opaque units for wall cladding of various kinds. The development sequence for such a product in the hands of a technically competent organization is straightforward. Raw materials of known properties are used. The product is designed, prototyped, and its physical properties as well as its performance characteristics are then thoroughly tested for the intended use. At this point, however, two pitfalls appear which are specific to the building business alone.

The first involves evaluating the capability of the product to resist deterioration in long-term exposure to the weather. Plastics, and for that matter other materials as well, defy the scientists' ability to predict long-term performance from short-term tests. An architect will tend to demand positive proof of performance, such as inspection of a building which has withstood 10 years' exposure or more. Since no such building exists, and without confidence in the results of accelerated tests, the manufacturer must either take a calculated risk, or wait many years before marketing the product. The practical approach has been a compromise combining laboratory tests backed up by sound technical knowledge and experience with short-term actual exposure-testing in areas like the Arizona desert.

An architect or contractor, however, will usually insist that the manufacturer assume total responsibility in the event of failure, which means not only liability for the value of the product but for the cost of installation and replacement, plus even secondary liabilities—all of which may not be incurred for a number of years. If the manufacturer resists taking such a responsibility, it suddenly looks easier to the specifier to stay with glass or metal. If the glass breaks or the metal corrodes, this is somehow not as serious as the aging failure of a plastic.

Also in the technological area is the problem of resistance to fire. Many of the tests appearing in codes and regulations were designed to measure the relative degree of hazard offered by conventional products such as wood, and are not necessarily well adapted to do the same job for plastics. Some tests are extremely expensive to run—one thousand dollars or more—and only a few laboratories are equipped to run them. Many codes will accept data from only two laboratories in the entire country. Plastics are frequently eliminated without having a measurement of the true degree of hazard they may represent. The industry, through its association, the Society of the Plastics Industry, has found it necessary to finance a basic study of hazard itself, with the goal of developing methods to find the true relative hazard of plastic building products compared to other materials—a costly and time-consuming effort.

(2) *Codes.* Much has been said and written about codes and their stifling effect on new product development. In the case of plastics the problems are twofold—inadequate test methods and standards, as in the case of fire testing, and inconsistencies from one area to another. The code problem is more severe when dealing with core products such as pipe or electrical fixtures than with panels and other light construction products, so it is not particularly severe in an example like this panel. In any event the necessity of ploughing through the code maze is an added economic burden during product development.

(3) *Application Problems.* All building products have to be put in place. New materials require new techniques, and the building trades are not famous for quickly adopting new methods. For example, complete walls and roofs using new plastic panels have had to be torn down and rebuilt because the installer neglected to follow instructions as simple as oversizing holes for fasteners to take up the thermal movement. Simple as these techniques may seem, it becomes essential for the developer of a new product to get control of the application process by training and education of applicators. This procedure is a highly significant expense item when it is realized that one installation crew working all year round handles the output of only a single plastic extruder for two weeks. Restrictive labor practices are also a factor in product development costs. Does a plastic panel require a carpenter or a sheet metal worker? Does a new hard-surfaced floor tile go with the terrazo workers, tile setters or, again, carpenters? A slip-up in this area again is expensive if not fatal.

(4) *Esthetics.* There is ingrained both in the mold of taste, the architect, and in the consumer himself a resistance to change in the appearance of building products. Full utilization of the properties of a new material such as plastics frequently dictates a radical departure from the conventional appearance of wood or masonry. However, every plastic producer has found that the easy way into the market is to make the new product look like something which it is not. A typical case is the new all-plastic house siding which has been quite successful but which looks exactly like a strip of painted

cedar. Since such a deception is not possible with more complex structures such as sandwich panels, the rate of acceptance for them has been proportionately lower.

(5) *Development Cost.* When all the technological, application and esthetic problems have finally been overcome, there is still the problem of distribution. The building industry is not really an industry. It is a diffuse collection of individual markets with differing patterns and techniques. There are at least 44,000 home builders, 20,000 distributors, and an untold number of dealers and small contractors who must be reached if the product is to attain national acceptance. Unfortunately, this huge mass of potential buyers has already established patterns for handling wood, metals, and masonry as basic commodities, with distribution costs held down by huge volume of movement. The new product in smaller volume must therefore find its way through this distribution system and still serve its function at close to a competitive price.

A typical example of the problems involved is that of the rigid vinyl house siding which was introduced four years ago and which is probably the fastest growing plastic building product at this time. At the time of its introduction it was priced to be roughly competitive with a good grade of wood siding plus two coats of paint applied at the site. At this price level, the manufacturer has a gross mark-up of about 30 percent, which is a bare minimum to cover the distribution expenses but hardly enough to recoup development costs. Because it is new, the applicators immediately doubled the standard charge for installation. The distributors similarly applied specialty product mark-ups in contrast to wood or metal product practices. In mid-America the result has been that vinyl ends up on a new house at about \$15 per square¹ more than the widely used painted hardboard (which seldom gets its two coats of paint). On an average \$25,000 house, this represents a premium for the plastic of about \$150. Despite the fact that this entire premium will be recovered every time the hardboard has to be painted, four years have now gone by since the introduction of plastics, and practically no new houses have used vinyl siding. So far, its acceptance in the market has come from the unhappy householder who has to renovate an older building and recognizes the value of freedom from maintenance in place of first cost.

In earlier days metal siding went through the same problems, and even now only a small fraction ends up on new houses. The distribution system to the renovation market, as a consequence, has become the highest-pressure, wildest sales group in American business.

The effect on profit margins is obvious. To be a plastic siding producer large enough to be reasonably economical requires the sale of at least 100,000 squares per year, which in turn means 10,000 average homes, each one requiring a specific sales effort.

¹ A square in this context means 100 square feet.

SYSTEMS

These then are the five basic problem areas which confront the manufacturer and marketer of a new building product: technology, codes, control of application, esthetics, and costs of distribution. These same problems exist to even greater degree when the development of a complete building system is undertaken. A system here is defined as a combination of products or components which fit together into a complete wall, roof, or entire building, as the case may be.

The costs of development are still higher than those for a single component. Prototyping involves building complete buildings instead of sections. Physical testing involves testing measurements on large sections. Design elements are more complex. The rewards, however, are potentially greater. The unit sale of a complete building shell is many times higher than the unit sale of individual panels or house siding.

High Hopes Terminated or Mothballed

A typical case involving the expenditure of substantial amounts of money on the development of a system, and the termination of the program because of economic obstacles, can be readily described. It involved a panelized construction system mainly for single-family residences.

The program was started by a combination of two major industrial organizations—an aircraft manufacturer with wide experience in systems development, and a chemical company with complementary experience in the behavior of synthetic materials. The objective was a building of high quality at moderate cost which could be transported to, and easily erected in, remote areas. A side benefit was the possibility of demounting the structure and moving it to another location if the occasion demanded. The first market objective was to be the United States military. Other governmental targets were included such as the AID program for low-cost housing in underdeveloped countries, the housing problems on American Indian reservations and, in the private sector, temporary or quick housing in such areas as oil fields, construction camps, and the like. The ultimate goal was tract building throughout the United States.

The system itself required years of experiment and evaluation, and the basic development cost was over \$1 million. The technical problems were solved, and buildings standing in various remote locations have performed excellently through the most adverse weather conditions and without requiring any maintenance whatever.

It soon became apparent, however, that a system of this nature offered little promise in the conventional domestic market for light construction. A study sponsored by the National Association of Home Builders showed that an efficient homebuilder could put up a conventional wooden stud wall with modest insulation characteristics and acceptable surface finishing by ordinary standards for about 75

cents per square foot. The new system in its early stages required a market price of \$1.50 per square foot of wall, with an ultimate potential in large volume of \$1.15 per square foot. In the long run, the new system would provide greater value to the owner because of its freedom from maintenance and the unmatched insulation quality. A finished house exclusive of foundation would have to sell for about \$10 a square foot of living space. By contrast, cheap conventional pre-fab systems run as low as \$7 per square foot. The custom homebuyer willing to pay \$15 or more on the opposite end of the scale is not attuned to a panelized house, and it will take years to change his habits, so this was also not a potential market.

In the governmental area, however, activity was extensive. In early 1963, the Defense Department started a program for the construction of large numbers of dwelling units for service personnel stationed abroad, mostly in isolated areas. To save foreign exchange, the buildings for the first time were to be bought in the United States and shipped to the site.

The original concept called for small components which could be handled without special equipment, and which could be moved at low freight rates, minimum complications for erection, excellent insulation value, and complete freedom from maintenance. The new system met every criterion. Despite its revolutionary approach, it was approved by the Corps of Engineers, and in July of 1963 bids were opened for 478 living units. During the preliminary negotiations, however, it had become apparent that the prefabrication industry in the United States was not prepared to meet the established criteria, nor were they ready to change their techniques to do so. One by one, the original criteria were modified until, by the time the bids were opened, the components had become whole walls requiring cranes for handling. The freight rates advantage was being minimized, the freedom from maintenance concept had been dropped, and the building became a typical example of minimum-standard American wooden prefabrication. The panelized system bid of \$9.50 per square foot of living space was far out of line with conventional bids down as low as \$6.50. The contract was finally awarded at about \$8, and the whole project thereafter suffered from lengthy delays and many involved problems. It is safe to speculate that insistence on the original criteria, which could only be met by new products and materials, would have given the Defense Department a superior building—perhaps at slightly higher original cost, but certainly at lower long-term cost.

At the same point in time there was also an urgent demand for relocatable buildings, again in remote areas. The Defense Department made a second daring effort at novelty in the design and purchase of a folding building which could be hauled to the site, unfolded by complex equipment, and later presumably folded back up again and hauled away. Here again, however, conventional materials and techniques had to be used, or the prefabrication industry would be unable to cope with the problem. Here again the panelized concept was

rejected, even though on one bid the net saving on freight rates alone would have been \$540,000 for 270 relocatable units which had to be shipped on the deck of an aircraft carrier.

After suffering these repeated rejections, the developers of this novel system, having sold a sufficient number of buildings to demonstrate the basic technical value of the system, joined the long list of systems projects which have been terminated or mothballed since the Second World War.

It is safe to say that the plastics industry as represented by this one company's experience is typical of those technically oriented manufacturers who are convinced that in the long run new materials, new products, and new systems will win acceptance in the United States building industry and provide greater value if not lower cost for the consumer of building space. The problems and obstacles which the building industry opposes to these developments, however, are so complex that the massive research and development which the opportunity would seem to justify have not yet been poured into this field. The hope is that with time and increasing costs of labor and conventional materials, plus the burgeoning demand for living space which will hit this country in the next decade, ways no doubt will be found to increase this effort and simplify the process of development. Until that time comes, it requires a brave and confident organization, large or small, to enter this forbidding field.

Thank you.

MR. PELLISH: Thank you very much, Mr. Plumb. We have something like 25 minutes before the afternoon session. What is the feeling of the Commission? Do you want to raise questions now or wait until then?

MR. EHRENKRANTZ: I think we should proceed now if we could, and gain an early start.

MR. PELLISH: Do you want to chair now?

QUESTIONS BY COMMISSION MEMBERS

MR. EHRENKRANTZ: *Perhaps I can lead off on the questioning.*

What kinds of conditions at the present time would bring entrée into the industry for major research and development?

MR. PLUMB: Well, I don't really know the answer. If we knew, we would state it.

You are not going to change the basic costs of conventional building, which are relatively low in this country. You are not going to eliminate the reservations on long-term durability. You are not going to lick this problem of adequate test methods and standards covering wide areas of the country unless a great deal of research is put into this thing. It is a straight economic problem for private industry. If you could see your way clear to make the kinds of profit margins that you can in many other industries—say the synthetic fiber industry—which would justify the heavy development costs, then you would

undoubtedly see the industry jump into it. But, as I say, we haven't found the answer.

MR. EHRENKRANTZ: *Let me give a few examples of things that could be done. It is obvious that the Commission at some point is going to have to make decisions on what, if anything, they should do. One thing is that at the present time, if you get money for college housing you have to add 25 percent to your debt service against future maintenance costs. If you can, by showing that new materials will bring about a reduction in maintenance costs so that the payoff on the building becomes 1.1 percent rather than 1.25, this would change some of the economics quite considerably. So this is one kind of change which could take place. Presumably, other changes would be in terms of guaranteed markets according to performance standards, and making sure the specifications are not modified in mid-stream.*

When you think of demonstrations, do you mean 15 houses in a single program, or are we talking of 3,000?

MR. PLUMB: You are talking of 500.

MR. EHRENKRANTZ: *This means that it is within the capability of the Government right now to undertake experimental projects in an order of magnitude of 500, and have significant new directions?*

MR. PLUMB: I believe it is, yes.

MR. EHRENKRANTZ: *I think that is something the Commission has to take very seriously.*

MR. DeMARS: I don't know whether you mentioned plastic bathtubs, or did you along the way?

MR. PLUMB: I just mentioned pipe.

MR. DeMARS: As an architect, I am happy to be involved right now in the consideration of a plastic bathtub and enclosure. We have had great difficulty. We hear such a thing exists. I have seen pictures of it. I don't particularly like the design. It would have to be sufficiently cheaper both to interest us as the architect to propose it to the builder, and for the builder to see some virtue in taking the possibility of a little sales resistance to it. There would have to be a sufficient savings, because we are in a situation where we are looking for every possible cost saving in these houses. But we are having great difficulty in learning where we can get in touch with people to install this. It apparently is so close in cost to what a tub and shower enclosure would be, it is almost not worth our effort to try to make the change.

MR. PLUMB: In that case you have probably got a problem which points out another obstacle. That is, leave out all the problems of design and get enough to justify cost, and assume that your labor union will install this tub and enclosure. There have been some disastrous experiences in this area. It would probably not cost you less as an initial expense, per se, than the metal or ceramic type of fixture. But you would have a much lighter weight and, therefore, you wouldn't need the load-bearing characteristics of the other part of the building. But you as an architect would put them in anyway.

MR. DeMARS: The load-bearing requirements probably would be there because they would be required for other reasons. It doesn't make much of an accommodation for the weight of a bathtub. You know the type of tub you want. It doesn't make any accommodation to have a lighter structure. So either one goes.

MR. PLUMB: A significant percentage of bathtub and shower enclosures being made in England and Germany—and I believe in Italy—are multiplastic.

MR. DeMARS: I cite that as an architect and designer, and as being a logical application of the product, because it definitely displaces something which is made out of material that is not necessary to serve this purpose. Only because there is no other material do we continue to use this.

A Thousand Plastic Tubs

MR. EHRENKRANTZ: *How many tubs would you need to get into this market?*

MR. PLUMB: I honestly would not know. I would imagine a thousand or so would justify the cost. He would know more than I do.

MR. EHRENKRANTZ: *We have a bid out right now for a tub-shower combination, and agreement with the labor unions involved in California, to install any tub-shower combination. I wouldn't be a bit surprised that there are molders here on the Coast that make these.*

MR. O'NEILL: *Standard has been making plastic tubs and shower stalls for six years. They are not for sale. They are all in the lab, and they have firm enough control of their products so they can predict exact cost on a volume basis. They are not making any because they can't get the price any lower than ceramic on steel tubs. As a matter of fact, ceramic on steel is probably 30 percent cheaper than any projected cost they can figure out.*

MR. PLUMB: The question is whether, on an installed basis, it would be cheaper.

MR. O'NEILL: *I doubt it.*

MR. JOHNSON: *It would be easier for them to infiltrate the market than anybody else, because they have the ongoing distribution. They could assure the distributors they aren't going to be marketed out with an entirely new distribution setup introduced to market plastic tubs and showers. Someone told us three or four months ago about a case in which the installation of the fiberglass tubs was allowed.*

MR. PLUMB: Which we are using. Plastic.

MR. JOHNSON: *They had a hard time convincing housewives that they shouldn't be using scouring powders on them. I would like to take exception to a remark about the manufacturer's responsibility for the product. I believe you said, "If the glass breaks, or if metal corrodes, this is somehow not as serious as the failure of a plastic." That is true, because I think most people understand the characteristics of glass. Quite often with plastics and other new materials,*

either the characteristics aren't understood or are not presented to you fully. Suppose you are not even told that the plastic has a life of five years, when it turns to powder. Then it is a tragedy for everybody involved if it does. With glass, it's been around for a long time. It's the old story of 10 or 15 years.

Most architects will accept any new product that has been around for 30 years. Their buildings are pretty solid. I think the attitude is one that poses a difficult problem because there are not just one or two materials, but materials coming at you from all different directions. You have to make very careful judgment, because you are held responsible for them ultimately. I can see why it is a serious stumbling block, and one of the things which we found in our small experience was that the sales representatives really don't understand the product especially well anyway. The questions which you ask as an architect are not often well answered. They will refer them to someone higher up and you never get the answer at all. So I don't blame many people for losing interest in something new, especially if there is no significant cost differential. We have also discovered, whenever someone comes out with something that is an acceptable alternative for an existing building product, even if they could produce it and make a product at half the cost, they price the substitute just below the existing product. So you still have a marginal decision to make. It is not clear-cut.

MR. PLUMB: We have not. We never found—

MR. JOHNSON: It may not be true of your plastics. It is true of others.

MRS. SMITH: I am fascinated that we are the molders of the public taste. I don't fancy myself as that. I wonder if you have any photographs of a total house you tried to market? You talked about public resistance. Did you have a group of top-flight architects trying to do the most acceptable housing, making the most of the materials?

MR. PLUMB: We have pictures with us today, but I didn't want to take up your time with slides.

MRS. SMITH: With most products—and this gets to that awful word “esthetics”—we just assume that everybody is a kind of boob. I think you are going to be able to market this, but I think it is going to take more money, even with your sad story here, to really give time for the study by groups of different architects in the country to find an expression for acceptance.

MR. PLUMB: The experience we have observed where plastics have been used in construction, to a large degree, were for public defense, where you can really take a material with specific properties, and you can design a building to accommodate those specific properties, and it is rather a sensational looking thing. But if you are in business to make a profit you have to sell your materials either to the home-building industry, home renovation industry or to widely accepted commercial buildings—architect-specified buildings. If you will look at the history of plastics which have been quite fabulously successful in some areas, the vinyl floor tile is the most spectacular. The so-

called high pressure laminate, known as Formica, is another one. Also, these new vinyl sidings. You can go through the history of these things and no one has taken advantage of the particular properties of the material until recently in vinyl floor tile. The first vinyl tile that we had was imitation marble. Last year it was imitation travertine. With laminate, the same thing. First you had marble—again, imitation marble.

MRS. SMITH: *But doesn't this get back to my question of whether in the modern market you can hire an architect? That is the end of my speech.*

MR. EHRENKRANTZ: Mr. Pellish.

MR. PELLISH: *As you describe it, industry is attempting to develop products within its own capacity. That is, in your company you were concerned with the plastics end of it. Assuredly there are other elements in the house that are not plastic, so there would be required some new kind of parallel developments with the other components within the dwelling unit. Yet, under the present circumstances, we are waiting for private industry to develop these various components, each industry operating within its own sphere. Is it not possible to have some kind of cooperative program, either by industry or as a partnership between industry and Government? Could not the Government pay for research funds for building technology as it does now for the rocket industry, aerospace industry, airplane industry? Would you think that kind of development could have an impact on what we look upon as the most urgent tool for trying to increase the housing supply?*

MR. PLUMB: Yes, I do. Definitely.

MRS. SMITH: *Could I ask one more question?*

Last year someone from Corning came down with a red hot new range top. My first question, because it was to be a fairly large job, was: Do you have an oven? "No, we don't have an oven." "What else do you have?" The pictures they brought down for an old colonial kitchen were H-hinges and so on. Several times this has happened. But you never get a house that is made up of all parts. Obviously you stick to plastic, and others stick to one component, and this is never put together. Is there any way industry could ever be gotten together—not on total electric houses, which is usually an absolute dog of a house with lots of electrical gadgets? But could you ever get together and make a good house?

MR. PLUMB: I can't answer directly, but indirectly I think the comment this gentleman made earlier about the bathtubs applies: that a company which has a distribution system, has a position in the building industry—and there are large ones—usually has an investment, whether in a standard metal foundry or a gypsum line or whatever it may be. These are the companies best qualified to bring new products to the building industry. But these have seldom been the companies who are pioneering in new materials, for obvious reasons. Where these materials have been truly successful is where

there has been a really capably, technically qualified organization with a distribution system.

The name that comes to mind first is Armstrong, which pioneered new product material with the material companies that have been successful.

MRS. SMITH: *Nobody ever puts all of the components together in one thing, whether new or old, done in the best way as a real experiment.*

MR. PLUMB: My response to that is that homebuilding is one of those very rare industries where you do not have a large well-based manufacturer of the finished product. There are 44,000 homebuilders, and you can't find one of them who will undertake to develop the complete house. So what happens? You find people in the aluminum and plastic business—this has been done abroad—who go about trying to develop a complete house. But they can't get away from their own individual—

MR. DeMARS: I was wondering—it used to be popular to discuss the potential of the mass-produced house. Is this ever likely to happen? An automobile is made of steel, but it also has rubber and plastics and various appropriate things, whatever is the logical material to use there. Why is not a housebuilding industry developed as an automobile?

MR. PLUMB: I think there are many people better qualified than I am to answer. But I doubt it will happen.

MR. JOHNSON: *I would like to point out that there are two applications of plastics in building that replaced items that were cheaper. The laminate for counter tops replaced the linoleum because it did a better job, even though it was more expensive. The asbestos vinyl floor tile replaced asphalt and oak flooring. It was more expensive, but did a better job. Just because it is more expensive doesn't mean the industry rejects this.*

MR. PLUMB: I wish you would use larger initial cost but greater value.

Housebuilding Not Like Automobile Industry

MR. LYONS: *I would like to make a couple of observations. Your testimony indicates the highly competitive nature of the industry, regardless of whether it is slow or fast to accept new techniques and materials. It is a competitive industry. Then when you compare the adoption by the construction industry of new products such as plastic with the automobile field, you are not comparing anything that is really comparable. In manufacturing, you take products which have been tested under certain conditions and utilize them for certain specific purposes—no other purposes. You install them under controlled conditions of climate and of usage and everything else. And if a mistake is made in the temper of a gear, shall we say, in a transmission system of a Cadillac, they know every single Cadillac that*

improper gear is in. They can call those back before somebody gets in an accident.

However, in the construction industry a product which may be ideal is consistently applied in an improper way—not under the manufacturer's specifications. So you have got to have rigid controls, including the architect's refusal to accept things that could be fatal to his client if some very little thing went wrong. In the building industry you install wall paneling in sub-zero weather, you install the same paneling in the same type building down the street in 110 degrees temperature, and you install another panel that sits there for two months waiting for the building to proceed. You have no control over conditions; so you can't compare construction to the automobile industry or any other manufacturing industry when you talk about the acceptance of new products. But they are accepted, and I would suggest that Monsanto hire a couple of people from Alcoa who have done such a marvelous job in marketing. At the end of World War II, Alcoa decided to add to the total volume of their business in the construction industry and made steel masonry and everything else. So it can be done.

Now you said a couple of things I would like to take issue with. You talk about the technology of a product—wall paneling—that an architect would not accept. Or you say testing procedures because of short-term tests are inadequate. You say they won't approve of building without 10 years' exposure or more, and then you say that no such building exists. Well, I thought Monsanto built about a dozen buildings out there, the first building of the country in exterior plastic curtain wall construction.

MR. PLUMB: No, sir. Those are not. They are steel.

MR. LYONS: Steel frames, but all—

MR. PLUMB: No. There is one building which has a plastic exterior and that stood up very well. That is 11 years now.

MR. LYONS: That was the one they took us through and showed us the plastic spandrels, panels, plastic windows, and everything else plastic? That was back in 1956.

MR. PLUMB: That is 11 years. It stood up very well. That is why one of the problems I mentioned earlier was eliminated.

MR. LYONS: That wasn't erected by carpenters or sheet metalmen. That was put up by ironworkers.

MR. EHRENKRANTZ: I think we may have just one more question.

MR. MANVEL¹: Briefly, you made some reference to the fact that in Mexico and England the development was ahead of the United States. Then you emphasized that the problem was primarily economic. Is that the case? I mean, do you know enough about these other countries? Why are they ahead?

MR. PLUMB: Well, for a variety of reasons. Generally in Japan it was desperation and shortages of conventional materials starting shortly after the war. They are the two most prominent ones. I think

¹ Associate Director of the Commission staff.

they have a more adventurous approach to building products and an environment that is more ready to try something new. This is true in Japan, and it is true in England. It is certainly not true in France. Another aspect is the higher cost of conventional materials. Copper, for example, is two or three times as high in Europe as in the United States. Conventional materials are very expensive in Japan. So that particular economic condition does exist. In Holland, for example, they have all underground piping in plastic pipe. As I understand, they have a peculiarly corrosive situation in their soil where no economically feasible metal stands up long enough to be satisfactory, whereas if vinyl was in the ground, it would.

MR. EHRENKRANTZ: Thank you. That concludes our lunch session.

*Mission Dolores
San Francisco, California
Afternoon, July 6, 1967*

MR. EHRENKRANTZ: In the afternoon session we continue discussing technology. Each of the witnesses will be given 15 to 20 minutes to present his material to the Commission. We will then have a questioning by members of the Commission, after which we will open the session to the floor.

Our first speaker this afternoon will be Dr. Thomas Paine.¹

After spending considerable time with Dr. Paine last summer and early fall, it gives me considerable pleasure to introduce him. He is the manager of TEMPO, General Electric Center for Advanced Studies, Santa Barbara, California.

Dr. Paine.

STATEMENT BY THOMAS PAINE

MR. PAINE: I'd like to speak this afternoon in rather broad terms about the role of industry and technology in solving urban problems, starting with a broad overview of the nature of the urban problem as we see it.

In talking to Tony Downs after lunch he mentioned that in your hearings far more questions are coming out than answers. I'm sure that's the case. There are many more problems than there are solutions here, and that's the first point I'd like to stress. In the case of the cities, we are simultaneously coping with blighted central cores, racial minorities, and rural immigrants poorly prepared for industrial city life. Now our basic need here is for a workable theory.

Those of us who also have another foot in the technology camp—in areas like the FAA supersonic transport, COMSAT, or NASA

¹ A.B., Engineering, Brown University; Master of Science and Physical Metallurgy, Stanford University; Ph.D., Physical Metallurgy, Stanford University.

going to the moon—are very conscious of the fact that in contrast to urban problems we can describe the basic theories underlying these projects in very simple terms. For example, the whole NASA Apollo program is based upon combining a few simple laws of Newton with high-vacuum technology. And once you've said that, we can trace out all the new technological advances in hardware that we have to make to get there.

In the case of the cities this is far from the case. We really don't have a workable underlying theory. If we turn, hopefully to the philosophers—the Louis Mumfords or the Arnold Toynbees—we essentially draw a blank. We just don't understand the rise and fall of cities, the great social changes that we see, the human distress that we want to alleviate. We also lack adequate forums and communications. Certainly Tokyo and London have far more in common than the United States and Zambia; yet we have solemn enclaves where the nations of the world work continuously together to discuss their problems, but no “United Cities” body. So we lack a workable theory of the case, and a forum in which to discuss its application.

We need a way of relating the broad historical sweep of technology and social change that got us into the fix we are in today to the new technologies and social systems we need to extract ourselves. We know that cities are about 5,000 years old as phenomena of mankind. We know they originally started with the technological development of agriculture. Once man could cultivate grain, which was nutritious and storable and had high-energy output, he could allow about 10 percent of the population of a region to live in the city. There man developed an urban society that was able to produce what the computer people would call a “software system” to govern the region, and its “hardware.” Literacy, science, law, and art, and all the various human institutions which have come down to us emerged from the city. The city facilitated specialization and communication. Men in cities started substituting capital for labor in roads, ships, irrigation systems, and other developments.

In the last century we have had so many technological and social revolutions come one on top of the other that we have had a continual state of urban change, with continuing major social stresses. The industrial revolution, followed by the scientific agriculture revolution, moved our population dramatically: instead of having 10 percent of the people living in the cities, today we can support 90 percent of the people. Then the pharmaceutical-medical-public health revolution escalated further this tremendous population implosion, as industrial central cities grew at the expense of obsolescent rural villages. More recently, rising education levels combined with such technological advances as automation and artificial fibers have reduced the need for much of the unskilled rural and urban labor we have had in the past. The most recent waves of racial minority rural immigrants from our rural South are particularly ill-prepared for life in today's suburban, automobile-centered cities, and the cities are ill-organized to struggle with the social problems of fitting them

productively into our society. Here is where industry and government at all levels—city, state and Federal—must find new ways to work together.

Now, I would make the point here that the modern industrial city is basically an “information” or “software” kind of place. It’s no accident that 300 of the top 500 U.S. corporations have their headquarters in Manhattan within walking distance of each other. It’s no accident that the Vatican is in a major world city like Rome, or that Moscow runs world communism, Tokyo dominates shipbuilding, and Los Angeles, show business. Managing resources has always been a city-kind of activity. The modern industrial city is an extremely effective way to flexibly adapt a highly specialized working population to the changing needs of commerce, government and industry; it is an indispensable part of the industrial revolution. To serve this function it must provide education, transportation, and other services. It must efficiently transport both goods and people from place to place, letting them live where they want to live, work and play where they like, and carry on their chosen profession. This, then, is the broad sweep of urban development.

But the major failure of our cities today is in the area of color and race, where this highly flexible human system has gone awry, where our society has artificially constrained minorities from full participation, and denied their basic rights to opportunity. This, of course, is causing all kinds of frictions and inefficiencies in our urban society. This problem is at the core of much of what you are discussing; poor central-city housing is but one highly visible symptom. It is not a symptom that can be treated in isolation.

“Hardware” and “Software” Technologies

Now, I’d like to make the point that in talking new urban technology you will be mainly hearing about “hardware” technologies.

Those of us who work with computers are used to thinking of the world in two frames of reference, though. One is the “hardware” frame, including all the walls and nuts and bolts that surround us here. The second is the “software” frame, including the organization of the Commission, the fact that I am here speaking to you, and what I have to say. The “software” of society is its informational and institutional framework. It’s the “software” of society that provides the incentives and discipline for individuals to participate productively in society.

Now, this “software” technology is the urban technology we don’t have. The United States historically has been very rich in inventing new institutions, however: We invented the Federal Housing Administration and the Veterans Administration, and they built suburbia. We invented the Marshall Plan, and put post-war Europe on its feet. The Atomic Energy Commission was invented to develop U.S. atomic energy, and NASA to harness our resources to put America on the moon. We have been successful time after time in making inventions

of this sort, but chiefly when the mission was clear and when the institutional invention related to a "hardware" problem. Where the problem is to blast the nation of North Vietnam off the map, we can solve it; we know how to do that. Where the problem is to change the "software" of South Vietnam to facilitate the democratic Westernized dream we aspire to—well, we're not so good at this kind of problem. This is the limitation that you're faced with here: inadequate urban "software" technology.

Now, a word on the role of industry. Traditionally industry can go into any situation where there is a free market operating, where there is an opportunity to understand needs and to meet them through design, manufacture, merchandising, and providing services. Given a mass market, U.S. industry knows how to serve. Industry can and does operate in Harlem as well as in suburbia. For example, it can manufacture television sets, put them in place, finance them, service the sets, and broadcast TV programming. U.S. industry is well organized to work with NASA to display on television screens in every tenement in Harlem high-quality pictures of a little shovel scooping up the surface of the moon. It is ironic that we know how to do this, and we do it so well. We also know how to build structures (although we do need to know more about how to get low-cost housing). We can quickly build a Pan American Building in New York large enough to house every high school student in Harlem—but we don't know how to get all those students through high school. That's the part we don't understand. Industry can build the "hardware," but industry is not yet in a good position to help with the "software." We need to develop a mission orientation and system capability in such areas as building human neighborhoods—not just building buildings. It's high time we—and the Government—got started together.

Systems Approach to Urban Problems

Finally, I think it's extremely important that we understand better the roles and interactions of political and industrial institutions. We certainly do not want any business that we have ever heard of running a tax-collection agency or police force. These must be sensitive to political forces—perhaps even more sensitive than they are now. But where new or improved urban institutions can be created to handle the political end of things, I'm sure that industry has a far greater role to play in future urban systems. This will directly involve the innovative forces of industry in cities, paralleling the role we are playing in the programs to go to the moon. We must use the contract mechanism and the broad system approach, where specific neighborhood missions are spelled out and alternative ways of getting there are developed by the contractor. This is the new American approach for the '70's we must invent. The mission orientation, the systems approach, the contract mechanism, are, I think, the wave of the future.

We are still in the early days of the new Department of Housing and Urban Development. It's a very young department, but it's taking steps in these directions, and we applaud them. I think we may need a kind of urban RAND Corporation to promote the mission orientation and system approach. We don't have the fundamental data we should have. It's ridiculous that a prominent political leader at this end of the country should be talking about putting 95 percent of the people on welfare to work, while another political leader at the other end of the country is pointing out that only 5 percent of the people on welfare are employable. We need thoughtful analytical people to plow through these complexities, and new forums for their discussions. I think a "RAND-like" institution might be helpful here. Then alongside this we need new city, state and Federal government institutions to initiate this new contract relationship to involve industrial thinkers and doers in building and operating on a large scale portions of the next generation of American cities.

New towns, model cities—all of these things are steps in the right direction. It is essential that we take a total system and regional approach in transportation, education, economic opportunity, medical services, police, fire, housing—right across the board. We must find new ways of providing the incentives and discipline that are essential to transform urban ghetto dwellers into full participants in modern American urban (and suburban) society.

MR. EHRENKRANTZ: Thank you very, very much, Dr. Paine.

The next speaker this afternoon will be Mr. Edward Rice,¹ President of Construction Research and Development Corporation. Mr. Rice.

STATEMENT BY EDWARD K. RICE

MR. RICE: Thank you. After Dr. Paine's remarks, my story is going to be one of nuts and bolts, if you will.

Mr. Pellish asked me to describe to you some of our experiences as nut and boltsters with instant rehab in New York City, and some of our adventures in trying to develop techniques of building new low-cost housing.

Instant Rehab in New York City

Rehabilitation in New York City was an interesting experience. We were given the project to see what we could do about bringing technology to the task of rehabilitating old law tenement buildings. Those of you who may be familiar with New York City may know that there are some 50,000 old buildings in New York City that were

¹ Member, American Society of Civil Engineers, Construction Engineers Association of Southern California, American Concrete Institute, Pre-stressed Concrete Institute. B.S., Engineering degrees, University of California; M.S. in Engineering, University of California, Los Angeles.

built before the turn of the century, and they are certainly not a credit to our housing stock.

We were asked to go in and see if we could do something about reducing the amount of time required to rehabilitate a block of these buildings. A typical construction job in rehabilitating such buildings in the past has taken six to seven months of research effort, and a little bit of practice on our team's part. We were able to do the job so that the tenants were out of the building only 48 hours. This was a lot of fun. We learned a whole lot. I think now that we are ready to take the next step.

In New York yesterday the mayor announced our next step, so I will not be upstaging him. We have 19 more buildings to go—roughly 400 dwelling units. We have moved some of our effort from the instant rehabilitation of the building itself over to instant paper work, and I find this to be an exciting field to work in.

I think you might be interested in our relationships with the building trades unions and the building code people in New York City. When we were assigned the job of developing instant rehab, my first stop was with the building trades union in New York City. New York City is a fairly highly unionized town, as most of you know. I grew up in the construction business. I still carry a card in Local 12 of the Operating Engineers. So I know something about the language and something, I think, of their feelings. I was very well received by the building trades.

The first meeting went extremely well. I explained to them that if they wished to have their men do rehabilitation work in New York City, we would have to get busy and begin to utilize the equipment and methods of the heavy construction industry in a task that has typically been done by the light construction industry. It turns out that in New York City the bulk of rehabilitation work has always been done by nonunion people.

So I had a little wedge on my side. I told the building trades unions that we would commit to union jobs as long as they would come along with our methodology. I found we had complete cooperation. We had only one sticky problem.

We determined that the way to cut the cost and time of rehabilitation was to preassemble the kitchen, and bathroom units off site, truck them to the site, and with a crane lower them through a hole in the roof and stack the units vertically.

The plumbers' union had a working rule that all pipe less than two inches in diameter had to be cut and fitted at the job site. We, of course, could not live with that rule because we had to assemble the unit ahead of time in order to meet our time schedule. Fortunately, our friends in Government came to our rescue. They brought their muscle to bear at the Willard Wirtz level, and the plumbers' union agreed they would go along with us. We then rented Pier 27 in New York. We built kitchen and bathroom units there and it worked out very well.

As contractors, we normally are quite concerned about having

swarms of union business agents on our jobs. But interestingly enough, on this job, the business agent became a second pair of eyes for us. One afternoon one of the men returned from lunch and it appeared that perhaps he had one beer more than he should have, and the business agent turned him back. We didn't turn him back, but the business agent did, because the union was concerned about our project moving ahead properly.

With the building department we went through a considerable evolution. I don't know if the evolution is over yet, in that yesterday the head of the building department resigned in New York City—but at least he resigned and I didn't.

Now we seem to be making some progress. We took our problems one by one. I told my staff that I didn't want to be bothered with tackling every conceivable technological advance one could make on this first project. The only technological advances we would attempt were those that would make significant savings in time or money. We pitted plastic pipe against cast iron. We weren't afraid of the unions or building department, but from the dollars and cents we could see, we couldn't see enough advantages compared to other things more important to us to go after than the required code change to use plastic pipe. On the next go-round we are going after the plastic pipe.

Our line of battle was to segregate out those things that were significant and not waste our time on what might be called second order things, at least for the first effort. The things that were second and third order on the first go-around have now become first order, and I hope that we can successfully get on top of some of those.

We found that the building code problem is one that can be attacked at several levels. We find if you are fast on your feet and you know the codes well enough there are loopholes in most codes, and you can worm your way through provided you have sufficient time. The thing that is a killer as a practitioner, if you have a job to do, is that the building code department has infinite time. Generally speaking, you don't have.

We have been working on code problems for a number of years. I personally have served on code committees for approximately 12 to 13 years. I think we are beginning to get some ideas of what needs to be done.

Building Codes Stifle Initiative

The biggest thing I think you would be interested in, code-wise, is that the way our codes operate today completely stifles initiative. In our shop we have a number of engineers—perhaps 65 of them—and the bulk of them have master's degrees. But we have never been able to fully put that mental muscle to work. A good high school student, possibly trained with handbooks and a building code, can do as good a job today as many of the engineers in our shop because things are predesigned by the codes.

In our shop we have some computer capability. We are busy at this hour putting major portions of the Los Angeles city building code in the computer. Quite frankly, part of the design is all pre-designed by the code, so for those people who are going to stick with the code—once it winds up in the computer—we can whip it out without any mental effort at all. This has to change.

Perhaps we need to have two ways of getting a building permit. One is for those practitioners who wish to follow today's code. But I think you have got to have a major relief valve for innovations. This major relief valve today is thought of as a board of appeals.

As a practical matter, however, a board of appeals is almost a rubber stamp for the department. Very, very few new things can make the hurdle.

I think perhaps we need to turn the building over to the professional, to give him the ability to practice his profession. At this hour, a professional practices to a certain extent like a surgeon who, with someone on the operating table, has the county health officer come by and say, "Don't chop on the liver—go over and hack away on the appendix for a while." This is what happens to our designs in the building departments. So we have to be given the privilege to practice our profession. Then I think you will see innovation come fairly quickly.

To move on with our second phase of rehab in New York City, we found certain deficiencies. These are FHA projects. One of the biggest pitfalls we have is that there are no ground rules for the FHA inspectors, so we are now developing ground rules for them. We hope that these same standards will be helpful with the city inspectors. The biggest single thing we have decided to tackle is the paper work, and the problem of being paid. We found that we could do a \$130 thousand dollars worth of construction each 24 hours without too much trouble. But then it took another six to eight weeks of good solid paper work by a large staff to finally get that same 24-hour effort approved and payment made. FHA, I think, is coming along with us and the City of New York is coming along with us. Each day, as the inspector inspects our work, the work will be approved, and each night they write a check. If we can actually achieve this, this will be a tremendous breakthrough in the nuts and bolts world of getting things done.

In the area of new construction: Our firm is now working on multi-storied low-income housing in Richmond, California. We are embarking on the task of building a six-storied elevated building in Richmond. We have a budget figure of \$10,000 a dwelling unit. We are not going to make this on the first effort, but we are going to be in that ball park. We think that we have found ways to move the construction of low-income housing, not into the automobile factory, but into the shipyard. We are taking over a part of the Richmond shipyards. We hope to have a part of the Brooklyn Navy Yard before long to completely build housing boxes. Our first Model A, about the first of the year should look something like this picture, in

Richmond, California. A little later on we will get a little more sophisticated and it will look like this picture. We believe in crawling before we try to run. Conrad Engineers were the architects.

We have a staff of architects and engineers and we are constructors. We employ consulting architects. Paul Williams is consultant to us along with several other architects. We sometimes put the architects in a box, they claim, but we do want the best of their efforts. We are now being teamed up with a young architect named Moscha Safdie to do some work in Washington, D.C., using some of our concepts.

In Reston, Virginia, we are to build some low-income housing using some of the same techniques. Our techniques are based on the development of a new cement which has the property of expanding and stretching steel reinforcement. We then can get what is called a prestressed concrete wall that can be made appreciably thinner. Instead of a six-inch wall, we can work with two-inch concrete walls. Once this technology became available it was apparent we could make lightweight boxes in the factory and ship them to the job site.

We plan to do all plumbing and painting in the factory, take the boxes to the job site and erect this six-story building.

Another target is to speed up construction, particularly in urban renewal areas. If our numbers are right, from the time the bulldozer hits the site to knock things down until we can move people back in would be maybe in the order of 30 days. If this can be achieved it gives us an opportunity to go in and not disrupt neighborhoods. This was the backbone of our 48-hour effort—move people out into a hotel, then back into the same neighborhood, and not tear the neighborhood up.

Now to research and building technology: I find that the present research effort is a pretty miserable one. We have called upon various industries when we have been engaged to do development work. I find that the wallboard manufacturers can bring wallboard to us, but none of them think twice of how to get the electrical outlet into the wallboard. We found that we were the people that had to get involved in that aspect of it. Once we have had this understanding, I think we can move ahead and merge the various components into a building.

Total House: Total Systems

It appears that our construction industry is so fragmented that there can't be a concerted research effort to get a total house. The builder isn't really interested in research other than perhaps some market research to see what he should be building. The material supplier is interested in research for his product alone. The builder builds per plans and specs. The architect is tied up with the building code. So I fear nothing is happening at this hour.

It appears that we have two things that are needed. One is to get some mechanism going.

Mr. Ehrenkrantz made a good contribution in this area toward a total systems approach, so the research is carried out on the total building. This will overcome overzealous plastics manufacturers who would build the whole structure out of plastic as opposed to taking the best of each of several materials. I think that a whole lot can be done if we can get to a total systems approach.

The other thing that we need deals with the fact that there are an awful lot of people with ideas in this country for new products, but who have no way to get their new products or techniques approved. Somehow, somewhere, we must have machinery that allows new things to come forward. In my own experience it takes seven to ten years from the time that we get something that is workable until we get it into a building through the various code people and used by the public. This period of time must be shortened.

It is obvious certain things require testing, but we have no national way of accomplishing the quick acceptance of new ideas and materials.

We might ask ourselves what we can expect from research. I have addressed myself to the problem of low-income housing. There, I think, we have just two things. One is that we must have a significant reduction in the first cost to make decent housing available to everyone. Two, we must have drastic reductions in maintenance, fire, and storm losses. These things are possible.

It appalls me that we put up year in and year out with a \$1 billion fire loss in this country. If we compare the lives lost in dwelling fires to casualties in Vietnam, you find that Vietnam is a pretty safe place to be. So I think it is time we go to work on these problems and tackle them as first-order efforts, because the loss is there and I think that the technology is available to do something about it if we will make a climate that technology can work in.

Thank you.

MR. EHRENKRANTZ: Thank you very much, Mr. Rice. I think now we should move on to the questions, starting with Mr. Johnson.

QUESTIONS BY COMMISSION MEMBERS

MR. JOHNSON: Thank you.

Mr. Rice, I can't help but be impressed by the 48-hour project in New York. I'd like you to speak also about some limitations on it. It seems to me that the operation is characterized by a careful and rather detailed design of the components that were put into place in the building, a careful and detailed analysis of the way of doing it, a rather unusual kind of organization of a massive labor force on such a small area, a streamlined administrative procedure, and the cooperation of the labor force and the building department of the City of New York. It's a miracle just in that context. I think if we had all these things in right measure, on all of these projects, that we could do quite good things—not in 48 hours but in reasonable time. This is not to diminish at all what you have done.

I'd like, if you would, your comment on the prospect for this kind of system on a large scale in cities such as New York, Philadelphia, and Boston, where there are older structures that do have reusable exterior shells.

MR. RICE: I'd like to answer your question this way: in my mind there is a competition between rehab and new construction. I don't care who wins, we are in both businesses. But I think this is a friendly competition. And if we can reduce cost of new housing sufficiently, well, then, we should forget rehab altogether. But it appears that right now the problem is so huge that they both have got to go hand in hand.

I have been to meetings with Mr. Ehrenkrantz and Mr. Paine through last summer. It was easy to kick around large numbers: you have 50-odd thousand buildings in New York City housing a million people that obviously are not decent housing, so let's take 20,000 of those buildings at top speed and rehab those, as a temporary measure. I like to think of it as putting a band-aid on the problem. But, anyway, let's go rehab those at top speed and at the same time rip some of this stuff down and build new. What the balance is I don't know.

We are coming on now, I think, modestly fast in New York City. Tishman Construction Company has joined our forces to put more talent behind it. We are optimistic that by the end of summer, barring major paper logjams, that we will have about 400 dwelling units up. If those go the way we hope, our next jump is three buildings, 19 buildings, perhaps 500 buildings. There are an awful lot of things that have to be brought along. We are criticized for not bringing in new materials faster. Each generation we can see that a manufacturer can come on-stream. We had to freeze new things at different stages of the game. There are those who think we should wait until more new things could be brought on-stream, but I think if we can move at this pace we can provide a market—we can get close enough to the problem. To be quite frank, you have to get awfully close to the rehab problem before you learn much about it in my experience. So this is our plan of attack. I don't see why the same technology—not the same techniques—but the technology of our rehab efforts can't be taken to Philadelphia, Boston or elsewhere.

MR. JOHNSON: *I'm more impressed with the technology of the organization of it than I am with the kitchen. That in itself is impressive though, don't get me wrong.*

I'd like to ask: Did the rehabilitation of these buildings affect the other working parts such as the stairwells inside the buildings, let's say? Windows were included, weren't they?

MR. RICE: Roughly, to give you a kitchen list of what we did and what we didn't do: Well, first, the tenants moved out. We moved in and gutted the interior of the building. This was a seven-and-a-half hour job with the work force we had in the building. We saved certain partitions or pieces of partitions. We saved the old stairs. We rebuilt them before the tenants moved out. We rebuilt the inside

of the public hallways before the tenants moved out. We rebuilt the boiler before the tenants moved out. We fixed up the exterior of the building, put a new cornice on, and painted the outside before the tenants moved out. On the inside, we relocated the partitions in that we wanted to change the building from four one-bedroom apartments per floor to two one-bedroom units and one three-bedroom apartment. All the old doors and windows went out. All the old plumbing went out. We had to go in and structurally repair some of the floor joists. Some of the beams were rotten. Buildings had had fires in them that had been covered up. And these were rebuilt. We then went in with new doors, new windows, new ceilings, new floors, new kitchens and bathrooms, new closets.

MR. JOHNSON: *The exterior was painted, I gather, was it?*

MR. RICE: Yes. The exterior was painted.

MR. JOHNSON: *In the 48-hour span or after?*

MR. RICE: No. It was painted before. The only reason for 48 hours was for trying to do things in the tenant area alone. The rest of the work we felt we could do at our leisure.

Preassembled Housing in Richmond

MR. JOHNSON: *Thank you.*

Now, you're building these units from the ground up as full structures in California, is that correct?

MR. RICE: Yes. These will be new buildings.

MR. JOHNSON: *What building code does Richmond have?*

MR. RICE: It is primarily under what is called the Uniform Building Code, which is used here on the West Coast.

MR. JOHNSON: *Then did you have to tailor make your design for this building strictly to Richmond, California? Could you, in fact, just keep on producing these two-inch thick concrete wall structures on the assembly line, then use them somewhere else in the State of California or are the problems too numerous for that to be possible?*

MR. RICE: Well, first off, the buildings that the Richmond Building Department have accepted I think would be acceptable in practically all the cities in the State of California. We have made certain temporary compromises for that Building Department in order to get the show on the road. We proposed to do a significant amount of testing, and to move from the position we have now; namely, one of a building permit, over to where we would like to be by demonstrating strength and durability and things like that as we go along. The first building is only a pilot building. If that building turns out all right, then we expect to build a great number from the same mold, if you will.

MR. JOHNSON: *Yes. How long will it take for you to assemble this building on the site, assuming that you have built all the sections?*

MR. RICE: Well, the first one is going to be quite slow. For the first building, we are choosing not to preassemble the elevator shaft.

It will take us two months to build it. If we are to preassemble the elevator shaft, then our site work would involve about two to three weeks effort.

MR. JOHNSON: *And you say the cost of this pilot project is expected to be not spectacularly lower than anything else? Probably couldn't be?*

MR. RICE: Well, yes, it is. I beg to differ with you. Right now a building of this type, three bedrooms, FHA standards, is coming in, for a six-story Type I building, about \$15,000 to \$18,000 per dwelling unit. We are shooting in the range of \$10,000 a dwelling unit. It looks like we will make \$12,000. So we are already beginning to hack away at this cost at a significant clip. We still have work to be done.

MR. JOHNSON: *And with substantially the same amenities and the same level of finish and so forth?*

MR. RICE: Quite frankly, we hope to improve it.

MR. JOHNSON: *So you're saving money in this initial step, then?*

MR. RICE: Yes. This is a private venture. The investors insist that we get this thing off the ground. This is the product of several years of research—roughly, about six years of research. So it isn't something that we cooked up in the back room of our shop overnight.

MR. JOHNSON: *Is it FHA backed?*

MR. RICE: It is an FHA 233 project.¹

MR. JOHNSON: *Thank you very much.*

MR. VANDERGRIF: *Mr. Rice, I'm not sure that this was the purpose, or included among the purposes of your 48-hour experiment. Of course, this is a fantastic thing that captures everybody's imagination. But if it was one of the purposes, did you make some money?*

MR. RICE: Yes. We made money.

MR. VANDERGRIF: *Well, that's obvious. But what I'm wondering about the 48-hour job—*

MR. RICE: Well, the 48-hour effort was a research effort by HUD. We had a research contract from HUD to cover our research cost. It is somewhat difficult to completely divorce research cost from construction cost. But as best we can do it, we can wind up with a good builder's fee, and the cost is a shade under doing the job in the conventional length of time. We now think that as we progress we can continue to work with the builder fee, and we can make further inroads into the cost picture. First, the effort was to get the time down, and now we are going to work on the cost. In our first effort, all we wanted was equal cost to a seven-month job and equal quality. We think we have achieved that. And now we wish to go to work on the cost.

MR. VANDERGRIF: *I see. I am very familiar with automobile assembly plants, but bear in mind that I am such a layman in terms of shipyards that I have never even been in one. You mentioned the fact that you're taking over an area in the Richmond shipyard and*

¹ Providing for experimental housing under Sec. 103 of Housing Act of 1961 and Sec. 118 of Housing Act of 1964.

you intend to do the same thing in Brooklyn. Is there something special about shipyards? Could you take me by the hand and tell me about that?

MR. RICE: Well, the only thing that exists in each of those places are some large craneways that are helpful to us. We could build new craneways somewhere else and be equally happy, but these old shipyards that aren't being used have the large craneways used for moving ships in World War II; so we find these existing craneways to be useful to us. That is the only thing the shipyard has.

MR. VANDERGRIFF: *I see. There is one point that you make, and nearly everybody in the profession makes it when they come before us. I don't want to sound like I'm defending municipal officials, because, really, I'm not. This is a self-analysis here. You say that if the professionals were allowed to practice their professions, things could be done so much more quickly, so much better, so much cheaper, and I'm sure that's right. I'm also sure that we could turn architects, like the architects we have on our panel also, or builders like you, loose and never worry a moment. I liked your statement about the surgeon not wanting any advice from the city officials. This is good, and so accurately describes the problem.*

But the question is, how do you know who are the good guys who are wearing the white hats? This is the problem that we face. How can you devise some kind of scheme of things, some ground rules that we could recommend to cities that they could comfortably live by in this regard?

MR. RICE: A committee in Los Angeles some six years ago addressed itself to this problem. We called ourselves the Council for Better Buildings. And we got to the final program stage, and we just ran out of steam, or today this program, I think, would exist in Los Angeles. I think we found ways of safeguarding the public against the unscrupulous. I think we found ways to weed them out. I think we could give the owner more financial assurances by this route that we devised than he gets today. The owner today, as you know, as a practical matter is left with whatever the builder builds that meets the code. The defense against malpractice in our profession is to go to court with a building permit. You can get off almost anything you have done outside of the whole thing falling down. But I suspect if it fell down, and you had a building permit and you could prove that it was built that way, the owner is stuck with a pile of rubble. Well, if we turn this around a little bit, the bonding companies to a certain extent police the contractors in this country. My bonding company, if they think the task that I'm about to undertake is over my head, even though I can show sufficient financial strength, won't let me undertake the job. I think that the same kind of mechanism can be made to work through the insurance companies. And I think the owner may be in a whole lot better shape today.

MR. O'NEILL: *Mr. Rice, there was obviously a great deal of advance planning in the instant rehab. You know now pretty well how to do*

the job. Could you tell us how many units you would have to have—how many old law tenements you'd have in a row—for each job to make a profit? Can you go into just one brownstone and do it, or do you have to have a whole block?

MR. RICE: Well, there is a letter in FHA's files from me saying that we regarded 10 buildings, or 150 dwelling units, to be the minimum number that we could afford to tool up and become involved with. And, quite frankly, that's too small. This is why we have 19 at this hour.

MR. O'NEILL: *You need about 200 dwelling units?*

MR. RICE: Well, 400 is a better number.

MR. O'NEILL: *400?*

MR. RICE: Yes.

MR. O'NEILL: *And how much would the rehab job cost? If the building were the same as the one that you had and you had 400 units, how much per unit do you think would be the total rehab cost, including all your preplanning, supervision, and negotiation, and everything else? What would be the cost per unit?*

MR. RICE: Well, I think you have to be very careful in talking about cost. The cost that I am most familiar with is construction cost as opposed to total project cost. Total project cost could get into attorneys' fees, sponsors' fees and everything else.

MR. O'NEILL: *Right.*

MR. RICE: So this is what we are aiming at in this next group of buildings: Ten of the buildings are nearly identical to the three buildings that we have done, and we purposely made our choices so that they will be the same. We are shooting at the range of \$9,000 per dwelling unit construction cost. We haven't achieved that figure yet, but we are within shooting distance.

MR. O'NEILL: *Would that include all your time and assistance and everything else?*

MR. RICE: Yes. This is where we would make a profit.

MR. O'NEILL: *The reason I ask is—*

MR. RICE: Pardon me. I'd like to add one log to the fire, and that is that Tishman came in, looked over our shoulder—we happened to be very close with the Tishman organization—and they said they wanted the deal. So I think this is further proof that there is some profit there.

MR. O'NEILL: *In your units, when you run into differences in floor level—all these old law tenements are not the same—can you easily make up the difference?*

MR. RICE: Yes. Our first efforts were quite crude. We were willing to live with the two-inch step between the bathroom floor and existing floor. After people found out that we could do it with one inch, they said "Why don't you do it with a quarter inch." And then it became essentially zero. The hurdle ratio keeps going up and escalating, I find, but now I think we have developed a core unit that is quite adjustable. The problem we had, as you may recall, was that the kitchen stove sat in this position and the bathroom door was over

here. And we could never tell how much slope there was in the floor between those two points.

MR. O'NEILL: *Right. In the job that you're working on for Richmond where you will save initially about \$4,000 a unit, and eventually \$6,000 a unit, am I to understand the finish and appointments inside are comparable to the \$6,000 unit? I mean, we are talking about appliances and the outlets and the hardware and so forth. So that most of the savings lies in the construction technique as well as some savings in the shell itself? Or are there no savings in the shell?*

MR. RICE: There are savings in the shell. To go after shell cost as a cost saver, you know, is a foolish path, because a shell cost in a building that cost \$15 is \$4. So even though you could knock 20 percent out of this \$4 item, you still don't do anything. The real cost saver, as I see it, is getting this whole thing to a place where we can get it organized, stop throwing materials down the trash chute, and get people organized so they can work more efficiently. And that's all there is to it.

MR. O'NEILL: *Well, you don't have as many men on the site and they're not there as long, isn't that one of your biggest—*

MR. RICE: Well, the total number of manhours doesn't make so much difference if you take a given task. What we are trying to get away from is so much wasted time, such as a fellow heading for the sixth floor in a building with a piece of pipe and saying "Oh, gee, it was too short. I've got to go back down again." This is a killer.

MR. O'NEILL: *Yes. In other words, you're saving of \$10,000 to \$16,000 is not really in material?*

MR. RICE: No.

MR. O'NEILL: *Nor in products?*

MR. RICE: It's mainly in just getting the thing organized. It's probably a \$1,500 to \$2,000 saving in material in the structural frame.

MR. O'NEILL: *Because of the reduction to this concrete. Does this stuff stretch wire mesh as it sets?*

MR. RICE: Yes.

MR. O'NEILL: *Is it expandable?*

MR. RICE: Yes. It's called an expansive cement.

MR. O'NEILL: *Has it been around long?*

MR. RICE: Well, we own the patent on it. It's been around for some seven years. But the industry is just now catching on. This year roughly a million barrels will go in place.

MR. O'NEILL: *What did they use it for heretofore?*

MR. RICE: Well, the part that is being used is a cement that is adjusted just to get dimensional stability in concrete—just to get rid of the cracks. It doesn't really stretch steel. This is being marketed around the country now and being used primarily in floors, sidewalks, and places where people don't want cracks. The next generation is the chem-stress cement, we call it, that will stretch steel. We are starting to use it for pipelines and in housing.

MR. O'NEILL: *What kind of aggregate do you use?*

MR. RICE: The Richmond project will be lightweight aggregate.

MR. EHRENKRANTZ: Senator Douglas.

MR. DOUGLAS: *I have only a question about this new housing that you are putting up in Richmond. You say it has an estimated total cost of \$10,000 to \$12,000?*

MR. RICE: Yes.

MR. DOUGLAS: *How many square feet?*

MR. RICE: A little less than 900 square feet for a three-bedroom unit. All of them will be three-bedroom units in this first effort. The room sizes meet the FHA minimum standards, no more.

MR. DOUGLAS: *A conventional building would be \$16,000?*

MR. RICE: Yes. I think that's about right for an elevator, six-story building. You can get a five-story building for less than that because the codes change at six levels. We purposely chose six floors because we eventually want to go on up into higher buildings.

MR. DOUGLAS: *I wonder if you've ever followed the construction of housing in Latin America, Guatemala, El Salvador using the type of concrete known as foam concrete . . .*

MR. RICE: Yes, sir.

MR. DOUGLAS: . . . *which has very extraordinarily low cost? Is your concrete similar to that?*

MR. RICE: No. The foam concrete is used in an effort to combine the insulating properties, and to get some structural strength. With respect to your observations, it is our analysis that we are better off using the concrete structurally as a very dense material, and then we use an insulating material—perhaps like styrofoam—for the insulation. We find that this combination is a better bargain than foam concrete. Foam concrete, in my own experience, gives problems with dimensional stability. The Russians build their buildings like that. And on my last visit there I found that they had many problems.

Jobs for Ghetto Residents

MRS. SMITH: *Dr. Paine, you mentioned there was no reason not to have industry in places like Watts or Harlem. In our visit to Watts one of the great problems was jobs. The questions they kept asking us, and our question to ourselves was: Why does not industry—in this terribly poor major central area—try to get together and find out ways to put plants near where the people are? Watts is an extreme case because of the transportation problem. But is this feasible and possible?*

MR. PAINE: Yes, it is both feasible and possible, and furthermore, it is happening. For example, our firm built new plants in the Appalachian Region, which has probably slowed down migration to the Northern cities. We also operate a plant in Chicago, for example, in Senator Douglas' country, which draws its labor supply largely from a blighted area there. However, many of the older parts of our cities are obsolescent, both for living purposes and industrial purposes. The transportation, for example. The ability to get a truck in and out with the products that you bring in and the finished goods

you ship out, is very poor. Route 128 in Boston showed what happens: industrial suburbia develops as many industrial people find it profitable to locate new plants outside the central city. This, of course, leads to the problem you bring up.

MRS. SMITH: *But if the leadership existed in the city with city planning and ongoing programs, you see no reason for this not to be done.*

MR. PAINE: No. Particularly in the kinds of projects where whole new kinds of industries are developing. I would certainly expect this type of thing would generate new industrial activity in these areas.

MRS. SMITH: *One other quick question. You recommended a RAND Corporation approach. How would that be funded? By both private and Government money?*

MR. PAINE: Yes. The RAND Corporation was originally started by private industry, by Douglas at the request of the Air Force. Then as the project grew it was decided it would be advantageous to set it up as nonprofit, and sever the direct connection with Douglas. It has since then been funded primarily on contract with the Air Force.

MRS. SMITH: *I know about RAND. I just wonder about how you would apply it in the building industry?*

MR. PAINE: I would see an institution with a close relationship with HUD, and perhaps HEW, and the new Department of Transportation, and a somewhat similar relationship perhaps with some of the major foundations and corporations.

MRS. SMITH: *Would Monsanto put money into such a broad research?*

MR. PAINE: Yes, I would expect they would participate. The type of money that Ed Rice is talking about—at the moment the Monsantos and General Electrics don't really have the mechanism for bringing these new techniques and new materials rapidly enough into the market place. If such an institute could help break this traditional logjam, I am sure many people would be delighted to work with it and help finance it. We need some new communication channels for urban innovation, really.

MR. WOODBURY: *Let's keep on the RAND idea for just a moment. As one whose principal connection with the doings of this Commission is in what you call the "software" side, I am disappointed—I should say disgusted—with the lack of headway we made in recent years with our present catch-as-catch-can methods. And I am including universities in that—I work for a university. On the other hand, I have also been a little leery of the RAND formula. Now I don't know too much about it, but I will give you an example of my doubts. I think the chief thing that I question is the kind of all-purpose, omnipotent view some RAND people seem to have of their capabilities. I saw one RAND study which had to do with the changes in land use that had been brought about by a certain number of urban renewal projects. They had been carried far enough so you could say what the reuse was going to be. That study was as full of holes as a sieve. Maybe this is untypical, and maybe if we limit a RAND-type*

agency a little more specifically, we would do away with this kind of result. But I don't believe that, because you can develop systems for NASA, you can develop systems for everything else. This seems to me a very questionable theory or doctrine. I am just trying to lead you on into a little bit more about the organization, scope, or the method of your proposal.

MR. PAINE: I wouldn't take issue with your statements. Nobody in his right mind would propose a RAND as a panacea. I think, however, a RAND type of organization might make a substantial contribution in this area, and by gathering factual data and submitting them to critical analysis, give Government and industry a central place where we could more thoroughly study these things in depth. It is one thing to understand and advance in the nuts and bolts, and Ed Rice is doing a terrific job here; but how much do we understand about the way people live in these instant rehab things? What is the neighborhood like? How have their life styles changed? These are just a few examples of areas in which we might make some headway. To be sure there is always the possibility of intellectual arrogance. You can get that in a RAND or a university or anywhere. But we need to attract to the urban problem many men of great capability, and humble people also, who can together make substantial contributions.

MR. WOODBURY: *I don't want my remarks to seem as an indictment across the board, and I think perhaps the question I am most concerned about would be met, to some extent, by limiting the scope—and it is a large enough scope, God knows, even if limited to the subjects that you suggest.*

Mr. Plumb, you discussed in your talk the substantial development costs that go into this sort of thing that Monsanto has been interested in. Still, when the questions were raised about the size of the jobs on these components that you were making, you gave us figures that seemed very, very low. Now there must be some explanation. But I would have thought, in light of the high development cost you stress, that your break-even points—or whatever you want to call them—for the minimum number of units of these various components in any job you would be interested in trying, seem so low. What is the explanation?

MR. PLUMB: Well, I think that if today we, or a company like ours, were offered 500 units in the order of \$10,000 or \$12,000 apiece, that would be a reasonable volume to justify reopening the effort. It would not get your bait back, but that is gone and down the drain today. The research and development have been done, and, reducing the things to a commercial practice, I do believe that five or six or seven million dollars worth of business would be justifiable.

MR. WOODBURY: *Mr. Rice. You say that these 900 square-foot units build at \$16,000. If my marginal arithmetic is right, that comes out to something like \$18 a square foot. Now down in Los Angeles the small house builders were giving us figures—I recall one—of \$6.40 a square foot.*

MR. RICE: We are not comparing apples with apples.

MR. WOODBURY: *No? Go ahead.*

MR. RICE: This is for an elevated high-rise building.

MR. WOODBURY: *But why should we build high-rise at \$18 or even if it comes down to \$12 a square foot, when you can build free standing for \$6?*

MR. RICE: I went through this same exercise. We developed a three-bedroom house like this out of concrete. That was our first effort. We could sell these houses with an air conditioner, and make a profit, at a little less than \$7,000 a unit. But as we moved in and tried to get in areas where housing for low-income people was really needed, as fast as we reduced *our* cost the land cost overshadowed us. I have doubt that there is any substantial market for the single-family low-income housing unit in this country. I think low-income housing belongs in the central areas, where transportation and jobs are available and this must be high-rise building.

The task ahead of us, as I see it, is to cut the cost of the high-rise building. In New York City, as an example, the same type of building had a legal limit of \$20,000 per dwelling unit and at this hour there are no takers. I believe it is \$34 million in the city waiting for developers because we can't get the price down below \$20,000 a unit.

MR. WOODBURY: *On the cost issue, I will give you a suggestion based on inadequate software theories. One is that if you will look at the areas of high land price—the highest land price you will find—they are the areas of most densely allowed usage. If you could go in and give a land price and put more units on that area, quite obviously you cut down the land cost per unit. But how long does that condition obtain? The mere fact that you do that is going to raise the asking prices on the land from that point on out, it seems to me.*

MR. RICE: We went down to the Brownsville, Texas, area. We thought that was a place that needed low-income housing. We bought farmland within a reasonable distance of town at a fairly inexpensive price. But by the time we put in the amenities of water line, sewer line, space for schools, et cetera, we were better off to buy lots in the center of town. The cost of providing these amenities is very, very high at this hour, I find.

MR. EHRENKRANTZ: Professor DeGrove.

MR. DEGROVE: *Mr. Rice, this has certainly been a stimulating and provocative presentation. I think that by the time we get to New York you will have several hundred of these units for us to look at, and I will be pleased. I share Mayor Vandergriff's concern. I sit on a planning board and I am concerned about how to recognize the good guys from the bad guys, but I fully recognize the need for new breakthroughs in land use. So you intrigue me with your comment that you came almost to the point of working out some solution to this that you think would protect the public and thus be acceptable to public officials, yet give you the flexibility you need. Could you tell us a little more about that or furnish the Commission with a statement in regard to that?*

MR. RICE: I would prefer to go in and dig it out. We had it thought through by a number of people, even to the point that the Los Angeles City Attorney's office was sympathetic to what we wanted, and that was a big step forward. Rather than try to remember what we did—I would prefer to go back to the files and send it to you.

MR. LYONS: *On the question of the rehab, having gone through this first unit, what is your judgment of the skills on the job site? Do you recall what you required for instant rehab as compared with the skills for conventional construction?*

MR. RICE: Well, the main difference in skills is for the crane and ironworker crew, because we are working with a crane. In a typical job you don't work with a crane, so you bring along an operating engineer and a few people like that. The main skill is still the carpenter.

MR. LYONS: *What I am talking about is the level of the skill of the mechanic working on that job. Would it be your judgment that a successful instant rehab job would require carpenters of or above the average skill needed in successful conventional construction? All of the trades that are on that rehab job do work together so fast and so close, and work to somewhat different tolerances than usual.*

MR. RICE: I think there is a broader spectrum here. For example, our work in building the kitchens and bathrooms. We rented Pier 27 from the City of New York and set up our own assembly line. We think this is the proper place to train them. We think that it is a proper place to have apprentices, if you will. We can help people on the preassembly line much easier than we can in any other construction job I have ever been on. But when we get to working with a 100-ton crane with 200 feet of boom in the air, that requires more skill than you normally find in a rehab job. Perhaps this is the spectrum of skills. The skills in assembling wardrobe closets isn't any different our way than the conventional way. In fact, the skills may be slightly less, because there are very few places a fellow has to think or measure. It's all done for him ahead of time. The matter of putting wallboard up and things like that—I don't think there is that much difference than a conventional job.

MR. LYONS: *You make the point I wanted, because it was my reaction—and I wanted to find out if it was correct—that an instant rehab job would require a higher level of skill because there wasn't time for mistakes. One guy louses up a cut—maybe that isn't a good example—and maybe you don't have that in your experience.*

MR. RICE: We moved skilled crews into that job, mainly because we had no opportunity to get acquainted with each other in the normal build-up. We blew the whistle one morning at 10 o'clock and we had 250 men at our command, most of whom we had never seen before. We were able to color code and closely schedule things to get them where they belonged. But in a normal job we can shake people out. We will have this shake-out process as we go on, because, as an example, our demolition crew will move every day in the series

of buildings and we can have people of lesser skill along with us than we could use on this research demonstration effort.

MR. LYONS: *You mentioned that payment time can be pretty important. Would this lag be so important that it might eliminate anybody but large corporations from being involved in this type of thing?*

MR. RICE: Yes, with simple arithmetic. We rolled at the rate of putting \$130,000 worth of construction in every day. You don't have to multiply that very much, if you have to wait 90 to 100 days for money—there aren't many people who can stand it credit-wise. So we think it is important for the Government to speed their paperwork up so, as we put it in place, they can pay us.

MR. LYONS: *I think that is important. Now, on your prefab operation, what is your judgment of the number of units that is the minimum for you to get into production over there in that shipyard—how many units annually—to make this a going operation?*

MR. RICE: We are going into it privately, I hope, with our eyes wide open. We expect that that facility will manufacture about 250 units in the next couple of years. I think that our expectations will be exceeded. They appear to be conservative, but these are break-even points. In a single-family house in Texas we had a break-even point of a little less than 500 units, and the straw that finally broke the camel's back was we could not get firm commitments for that number of buildings, and we didn't have the business courage to go ahead.

MR. LYONS: *If you get your 250 units the first couple of years, what would you need after that to keep going—200 or 150 a year?*

MR. RICE: Yes. That is the rate that is attractive to us. We expect to exceed that. The demand, you know, is way, way beyond these numbers.

MR. LYONS: *At present, yes. What have you figured with respect to distance? How close do you figure your yard has to be to your installation point?*

MR. RICE: Well, here in the West we tend to move things further. We have a 100-mile operating radius out of that plant which will hit San Jose and Sacramento.

MR. LYONS: *You can operate successfully then within 100 miles?*

MR. RICE: Yes.

MR. LYONS: *Is there any relation to your concern with annual fire loss and your new product with this new construction technique? Do you think it is a better product with respect to fire protection?*

MR. RICE: Well, it meets the fire code as it is. We have worked hard to keep the combustibles down in this building. In Reston, Virginia, we are going to compete with an all-concrete building against buildings of fairly high combustible content. I think one of the first orders of the business is to reduce the combustibles in buildings.

MR. LYONS: *Let's say you get a flash fire in a kitchen on the first*

floor of a six-story unit. If we get a flash fire in the kitchen, that prestressed wall blows up, explodes or impales.

MR. RICE: That is a terrible thing to say.

MR. LYONS: *What will happen to the building?*

MR. RICE: First off, the prestressed wall has been tested for two-hour fire. If you took all the combustibles in this building—furniture in the kitchen, boxes and whatever you have—and throw a match in and let the thing simply burn out—don't involve the fire department at all—you find the whole thing burns out in about 45 minutes. So I don't really think that we are anywhere near the rated construction. I don't know how familiar you are with that standard fire test, but they are quite severe in terms of fuel content, and the fuel content required to get a two-hour fire far exceeds the total fuel volume in this building.

MR. LYONS: *You are way above, let's say, the fire test that would possibly spall the concrete enough to have the wall pull itself apart?*

MR. RICE: Spalling in concrete—I don't want to argue—but spalling in concrete from fires is 100 percent a matter of how green the concrete is. If it is properly dried out you find you get no spalling. I think we have learned a lot about fire testing of concrete in the last few years. We have built some facilities for fire testing, and I think there are many good answers.

MR. LYONS: *You lost me on that cost factor. I couldn't quite hear the answers. Would you go over that again? Is it \$18,000?*

MR. RICE: No. Our target is \$10,000. This is Richmond we are talking about?

MR. LYONS: *Yes, Richmond.*

MR. RICE: In Richmond our target is \$10,000, which we are not going to meet. It looks like the real number is going to be \$12,000. The conventional building in this area—elevators, all-concrete, meeting a six-story code requirement—is about \$16,000. There are buildings going begging of the same dimensions, and things in New York City that can't be built for a \$20,000 statutory limit. We think we will be pleased with those at about \$18,000.

MR. LYONS: *I see. That's all.*

MR. EHRENKRANTZ: *The testimony we have had this afternoon has been extremely interesting. We have seen that the establishment of what appears to be rather small markets can make the difference between technological development going ahead or falling by the wayside.*

The numbers of units are 250 in one case, 500 in another. We also have had testimony relating to the fact that three buildings to be rehabilitated in the first round give way to 19, and, then, perhaps to 500. Could you speak a little bit to the idea of a learning curve? What about the idea of markets being designated for development over time in stages as an incentive to increasing technological innovation?

I can address this to all three of the panel. Would you like to lead off, Ed?

Learning Curve for New Technology

MR. RICE: Well, there is no question at all that when one gets involved in one of these efforts you have to look ahead. And the more assurances we can have that there is something there ahead of us, the harder our efforts will be, and the more of our own money we will put beside it. So I think that you are a hundred percent correct: if we didn't know that there were 50,000 buildings in the potential stockpile in New York City we wouldn't be dumping our efforts in there the way we are.

MR. PLUMB: I think the learning curve from a purely technological point of view is fairly sharp. It doesn't take many buildings or many prototypes to prove your point to yourself, and to those you want to demonstrate it to. I do think, as I mentioned earlier, that this question of getting control over the application techniques—the people who are going to put these things together as the pace rises—is one of the most acute problems. I'm talking about now using completely new systems, new methods of doing things that are going to place a pretty heavy demand on the labor skill and on management anyway.

MR. EHRENKRANTZ: *Dr. Paine, you mentioned two things—the idea of a mission-oriented approach to the problem, and the concept of some institutional change by use of something like a RAND Corporation. Would it not be an interesting approach to have some type of institutional change whereby it would be possible to provide controlled markets—an organization which could develop criteria to be met on a mission basis? And if this approach were used, what would you see happening in terms of development of new products and new systems?*

MR. PAINE: Well, that's a leading question, because I think in your own experience it's very clear that you can give a tremendous impetus to technology change by setting up specifications and setting up a mission—a school and a college dormitory in your case. So, as Ed says, the professional can probe his profession, and he can try to find innovative approaches to meet it. For example, the problem of the amount of wear on a carpet, the problem of flexibility in building interior layouts, the problem of security, and so forth—I think this is the thing that we are all grasping for. We are really trying to find ways of specifying a mission orientation, a total system orientation, in such a way that we can get this kind of technological innovation. The only caution that I would put on it is that it's easy to get so fascinated with the details of whether a bathroom has attractive tile or not that you forget in the real sense what we are after are also some very substantially upgraded neighborhood living conditions. What we are really trying to do in many cases is to get a whole new segment—perhaps a third of our population—participating in the opportunities and benefits of our modern industrial urban society. Although it's extremely important that we get this low-cost housing, because that's one of the key “hardware” items of life, there is also the problem of education, security, health, and other “software”

items, including economic opportunity, as Mrs. Smith mentioned.

And, Ezra, I would hope that in these areas also we could begin to start specifying some missions. There are all kinds of new mission opportunities in health, security, education, recreation, and economic opportunity as well as housing. Hopefully, we can, as the next decade rolls by, take some new neighborhood and city system approaches in these areas too.

MR. EHRENKRANTZ: I would like very much to thank the witnesses for their excellent testimony.

There are a number of people in the audience who wish to address the Commission. Please confine your comments to five minutes, but additional papers of any length will be accepted. Please give your name and organization affiliation.

PUBLIC WITNESSES

Mr. Weidesime: Cost of Product Approval

MR. WEIDESIME: My name is William Weidesime. I am Manager of Technical Services for Pabco-Gypsum. We are a small Western manufacturer of gypsum wallboard.

Our wallboard does usually handle electrical outlets, although generally, Mr. Rice, you're right about that problem. I want to relate for the Commission the different building codes a small manufacturer has to meet to get approval in order to market his product.

We come out with a new product. We first have to go to the Uniform Building Code and get approval. And that is a fee: \$300 now. Then we have to go to Los Angeles City. Next we go to the City of San Francisco. Then we go to the California State Fire Marshal. Then we go to the City of Long Beach. And then we go to the City of Denver to get their building code approvals for our new product. We are just a Western Company. For a national company it would be 10 times more difficult.

Now San Diego has a new code. So we are going to have to go to San Diego.

All of these—most of these—cities want fees. And it becomes terribly cumbersome. A great deal of duplication, in my opinion.

The California Fire Marshal Code is often a duplication of the Uniform Building Code. You could wrap them up and throw them in the Sacramento River and the whole population of California would be just as safe, and there would be no danger. It's just a tremendous duplication. Anything this Commission could recommend to get greater uniformity to building code standards through model codes would help. There seems to be a magic number of 600,000. When the city passes the 600,000 population mark they think, "We are so big we have to have our own building code. We can't have a model building code."

San Diego has gotten along fine with the model building code; so

now they develop their own, and we have duplication, and more expense, and another process to go through.

MR. SHUMAN: ¹ *Could you be specific about the fees?*

MR. WEIDESIME: Well, their research committee meets twice a week. You apply 60 days in advance of a meeting. You present your case, give them a check for \$300 and then 90 days afterwards they grant approval. So probably from the time you've got a new product ready for the market and ready to get approval until the time it is approved, is six to seven months by the Uniform Code. The California State Fire Marshal never answers his mail. You never know whether you have approval or not. You write to him. If you don't hear back in six months you must just assume it's approved.

MR. DOUGLAS: *How much do you have to pay?*

MR. WEIDESIME: \$50 first request, \$25 for the next four, and \$20 for each extra one each year.

MR. SHUMAN: *These go on simultaneously, or you have to—?*

MR. WEIDESIME: Yes. They go on simultaneously. Los Angeles City you apply. You send them a check. You never hear back whether it's approved or not, until about two months later you will get approval. If you don't get approval, you don't know what happens. You have to go to Los Angeles and find out what happened.

MR. DOUGLAS: *How much do you pay them?*

MR. WEIDESIME: \$150 for three.

MR. DOUGLAS: *San Diego?*

MR. WEIDESIME: Well, this is new. I don't know yet. They're just getting their own code. Denver is \$25 per approval.

MR. PELLISH: *You pay for the test?*

MR. WEIDESIME: Oh, yes. You pay for all the tests.

MR. DOUGLAS: *In addition?*

MR. WEIDESIME: In addition, yes.

MR. PELLISH: *A separate test for each jurisdiction?*

MR. WEIDESIME: Well, again, we have standard ASTM [American Society for Testing and Materials] tests, but each code person asks different questions.

For instance, we get approval of a new system we have just developed. It comes in three different versions. Uniform Building Code has approved all three versions. The city of Los Angeles first denied approval of all three versions. But then we went back to them, hashed it over, did this and that, and they finally approved two of the three. And the third one is not approved. San Francisco has approved all three. The California State Fire Marshal has approved two of them. You just never know where you stand.

MR. PELLISH: *Many producers of standard codes still defend the system of having many model codes around the country on the theory that—to use the often-quoted slogan—if they have one strike they're out when there is one uniform code. How do you feel about that?*

MR. WEIDESIME: There are, generally, four model codes. There is

¹ Executive Director of the Commission.

the National Code, the Southern Code, and so on and so forth. And I just find no trouble working with model code people. Maybe it is because they are private enterprise. But you can sit down and work things out reasonably with them. They're much less bureaucratic, much more flexible, much easier to work with, than the individual cities are. The individual cities are honestly administered and thoroughly administered but they're bureaucratic and slow. I'd much rather work with the model code group.

Now, I don't know whether you should have one model code or four model codes. It seems to me the country is a big one, and maybe four model codes serve the purpose better. But with modern communication and transportation—getting back and forth so quickly—maybe you don't need so many model codes.

Thank you.

MR. EHRENKRANTZ: Anybody else? Yes.

Mr. Bowling: Competition with Plastic Pipe

MR. BOWLING: My name is Anson Bowling, and I represent the ABS Council, which is the Plastic Pipe Institute. I would like to add what I can.

My specific job with the ABS Council is code ordinance work. That is my primary job. In fact, that is my only job. There has been some unfavorable reference to some of our city officials which I hate to see, because actually these people have been doing a tremendously good job. We have code groups all over the country.

One of our big deterrents in the plastic pipe industry today is not necessarily the code officials or the building officials, plumbing officials or union officials as such. The most important is the fact that the competitive materials—copper pipe development, the Cast Iron Pipe Institute, and the Steel Pipe Institute—battle us continually because, after all, if we keep gaining inroads they are going to be out of a market. I didn't come to make a speech, but I understand the Commission wanted me to come to Los Angeles Friday. I apologize. I was unable to because I was out shaking the bushes for code approvals, which is my job.

If there are questions I can answer regarding ABS, which is one of our main products on the West Coast here, I have a list that I would be very happy to turn over to the Commission with the approvals that we have, also the organizations that accept our material to date.

MR. O'NEILL: *How do the copper and cast iron people fight you?*

MR. BOWLING: Somehow they find out where I am going because normally the union officials are pretty much in contact with the cast iron people and the copper people. And they go along, wherever I am.

Now we have an accepted commercial standard on our material today. But they come out with a statement such as: "You have no chemical definitivity for your term." As you know, copper has 99.4 parts

pure metal, and this is their chemical definity. Now the manufacturing process for developing our plastic pipe is a trade secret. However, the performance of our material is based on the commercial standard and if it meets the standard—NSF's requirements—it is accepted material.

MR. O'NEILL: *They just say that you cannot be defined chemically, so you are no good?*

MR. BOWLING: We don't meet what they say we have to meet; so we have got the black hats on.

MR. JOHNSON: *This is a difficult question, but this is one that has to be answered. I wish you would submit a paper to us. How much money can you save in a residence with two bathrooms and a kitchen using your pipe against competitive pipes?*

MR. BOWLING: About the best way, and the only way, that I would like to answer this question—and believe me, we have been criticized—I have with me right now a report that was put in the *Congressional Record* stating we can save a hundred dollars a living unit. This is not necessarily true. If we have a left-handed carpenter in a tract situation, for example, and we have a right-handed carpenter, it all adds to the building cost, because they might start out on different sides of the house. This sounds very odd, but I know if there is some carpenter in the audience he will know what I am talking about. If a joist is running differently, the buildings sometimes have to be plumbed differently, unless it is prefabricated. So I prefer not to go into dollars and cents. I have another article I can leave, if you like. But I think one of the ways I can probably express it is this: What it takes the industry to do with other pipe in eight hours a day, we can do in four hours with plastic.

MR. PELLISH: *Can you tell us just roughly how much effort, and how much money, your sector of the building industry must devote in terms of time, personnel, expenses, in getting each of the jurisdictions to accept the product?*

MR. BOWLING: Well, it is fantastic. I will give you our budget figures; I don't think it is a secret. In fact, I will even give you the Cast Iron Pipe Institute's figures, so you can get a comparison. The ABS Council has a budget of about \$140,000 a year to carry on all these types of programs. One cost us \$24,000 alone—the presentation to FHA. This is quite an expensive report. On the cast iron soil pipe—these figures are rumors, so please don't quote me on those—but they have about \$375,000 a year to fight us or oppose us in our applications for plastic pipe.

MR. PELLISH: *This fight is carried on in each jurisdiction, or just on the central model code groups?*

MR. BOWLING: Each jurisdiction. We have a Southern Building Code Congress approval today. We have a Mr. A. B. Hunter in the South who has to go out and shake each city for a code approval. We have another man, Mr. McCarthy, in the East who, even though we get a bulk approval, has to go out and shake each individual city. We have a State of California approval now by the Division of

Housing. We have gone out and shaken each individual city, and it costs a lot of money.

MR. PELLISH: *You are only talking about cast iron people. What other groups do you think—either in the local community or on an industrial basis—would have vested interest and would oppose you, and are also carrying on?*

MR. BOWLING: Well, naturally the unions. However, this is true in some localities, and not true in others.

I can give you an example of what you asked about earlier—the going into different areas. We have approval in Sacramento County per se. We tried to get an approval in the City of Sacramento the other day. Well, I got there and I was on the program as being the only representative presenting our product. Well, in walks cast iron. In walks copper. I get on an airplane and fly to Hayward, California. I had another presentation at 7:30 that night and lo and behold! There are the two boys sitting there. It's a never-ending battle. I think they have my phone tapped.

It's really not a laughing matter—yet, it is, because we do chase each other around the country. One of our big deterrents, too, in the whole concept of changing materials is the antiquated codes that we now have. For instance, I recently was in Portland, Oregon. I have the 11 Western states, Alaska and Hawaii, but in Portland they still require extra heavy cast iron soil pipe for two-story construction. This is absolutely ridiculous. And most of them are still requiring four-inch cast iron where we know that three-inch plastic will do the job.

MR. EHRENKRANTZ: You mentioned you had some additional materials. If you could give them to the staff, it would be appreciated.

Are there any other people who wish to address the Commission? No? In that case, we will adjourn the meeting.

(Adjournment.)

*Federal Building
Civic Center
San Francisco, California
Morning, July 7, 1967*

The fragmented government structure of urban areas—and how this relates to problems of housing, planning for the future, land use, conservation, and finance—was the topic at morning, noon, and afternoon sessions. New regional approaches, the roles of cities and counties, and the intricate city-state-Federal relationships were discussed.

GOVERNING THE URBAN AREA

MR. DOUGLAS: I am asking Mr. Ehrenkrantz, who is a distinguished San Francisco architect, to preside this morning. But I want to thank

you all for coming, and for your interest in the general problem which we are going to discuss. I especially want to thank the witnesses, some of whom have come great distances.

I want to welcome an old friend, Mr. Robert Steadman, who for some years was the righthand man to Secretary of Defense McNamara. He was extremely useful and public spirited and had the ungrateful job of going into communities where public installations were shortly to be closed down. He tried to get local people to see the greater good of this, and at the same time tried to get new, private installations or better public use of the properties and resources which were being closed up.

He saved my life in the City of Decatur, where the Signal Corps Depot properly was being closed. I tried to be an advocate of economy and found myself confronted with a popular pressure to keep this installation going, which I could not conscientiously do, and was threatened by political reprisals and being burned in effigy. But Mr. Steadman calmed the waters and brought in the Firestone Company, which employed as many men as the Defense installation and paid taxes, and then brought in two or three other additional installations. So the total domestic resources were better, and the general spirit of the community better.

Bob, I am going to give you a roving commission now to get back to Decatur and get an apology from the mayor, who was going to hang me in effigy, and from the local newspapers. This will be a bigger task than the original one.

We are delighted to have Mr. Ehrenkrantz on the Commission with us. He is making a very valuable contribution, and I think people from San Francisco should also realize we have a distinguished citizen from Southern California, the Chairman of the Board of Supervisors of Orange County, Mr. David Baker. So the two extremes of this State are meeting together in a productive assignment.

MR. EHRENKRANTZ: Thank you, Senator.

The subject of this morning's hearing is "Governmental Structure and Finance."

The first speaker is Dr. Robert F. Steadman,¹ Director of the Division on Improvement of Management in Government, of the Committee for Economic Development. Dr. Steadman.

STATEMENT BY ROBERT STEADMAN

MR. STEADMAN: Mr. Chairman and members of this Commission. Before going forward with my comments, I would like to say that the problem of Decatur, Illinois, was made much simpler with the breadth and depth of understanding from the Senator from that

¹ Associated with Committee for Economic Development since 1963; previously economic adjustment advisor to the Department of Defense; adviser to the President's Scientific Research Board (1947); director of Michigan State Department of Administration (1949-53). Ph.D., University of Chicago.

State. I would also add a personal note that I do not care to see again anyone who might have hung the Senator in effigy for any purpose.

Gentlemen, the opportunity to discuss governmental structure and relationships with you is much appreciated. The structure of governmental institutions in the United States of America has a profound importance for the people of this country, in rural as well as in urban and suburban areas. But the subject has been too often neglected by students of public affairs, in recent times. Policies and programs may seem more exciting, but without appropriate structural mechanisms they can be neither well designed nor properly executed. The quality of the people holding positions of public trust, whether elective or appointive, has obvious significance; but structural considerations may—and indeed do—determine or condition the recruitment and retention of qualified people. And the structural environment will inevitably affect the behavior of all those involved in governmental processes.

The importance of governmental mechanisms may be illustrated in the circumstances under which our national government took shape and form. First, there was a Congress of the United States of America, generally known as the Continental Congress. In 1777 that Congress submitted a document entitled "The Articles of Confederation and Perpetual Union" for ratification by the legislatures of the 13 states. It became effective in 1781, when Maryland ratified. The first article of that document read "the stile of this confederacy shall be the United States of America." But the structures and relationships so established were not found to be wholly satisfactory. They did not fully serve the purposes intended, much less the needs soon to be made clear in the light of experience. Therefore, a Constitutional Convention met in 1787 and produced the national Constitution under which we are still governed. Who would argue, today, that the structural relationships defined in that document are immaterial or irrelevant to the stability and the prosperity of the Nation?

But there are those who seem to feel that the structural organizations and the interrelationships among local governments in the United States are somehow inconsequential. The Committee for Economic Development does not accept that viewpoint. Its Committee for Improvement of Management in Government, under the chairmanship of the Hon. Marion B. Folsom, prepared the statement on national policy, "Modernizing Local Government," which was issued by CED's Research and Policy Committee in 1966, after thorough review and consideration. Although the Committee for Improvement of Management in Government was assisted by a most distinguished advisory board of academicians and special advisors, the CED trustees themselves gave long hours of deliberation at every stage in the development of this statement, and take full responsibility for its content.

I propose, therefore, to present the major findings and recommendations of the CED in this subject field, as they appear to relate to your central interests. Where subject matters extend beyond fields

specifically covered in the CED policy statement on "Modernizing Local Government," I may venture a personal opinion, identified clearly as such.

The major finding in the CED policy statement (p. 15) reads: "Most American communities lack any instrumentality of government with legal powers, geographic jurisdiction, and independent revenue sources necessary to conduct local self-government in any valid sense." CED has expressed a concern that this primary finding may be obscured through overemphasis on the waste, inefficiency, and incompetence that characterize local governmental operations in specific cases. The statement goes on to set forth CED's primary objective in these words: "Our fundamental concern is that every community in the nation be capable of effective management of its local affairs. This is the *sine qua non* of a democratic society geared for entrance into the twenty-first century."

Four Qualities of Effective Local Government

The CED statement outlines four minimum qualifications for a local government that may be expected to serve its purposes effectively:

Political unity. Each population governed must have enough common interests, problems, and communications to qualify as a political entity able to produce political leadership responsive to active citizen concern.

Size. Each local unit must be sufficiently large—in population, geographic jurisdiction, and financial resources—to make long-range plans, to attract professional staff, and to manage modern services.

Powers. Each government must have legal authority adequate to cope with the problems for which it is responsible, and to enforce its decisions.

Rational structure. Each government must have a representative governing body concerned with policy decisions, and a single chief executive to secure unity in administrative operations.

But, to repeat, most American communities are without any local government that meets all four of these requirements. This generalization applies alike to rural, suburban, and urban communities. Most communities have many local governments, side-by-side or superimposed one above another, each of which may meet one or two or three of these four qualifications. But few combine the characteristics of geographic extent, financial resources, internal structural organization, and political integrity, all of which must be found within a single unit if it is to satisfy present and prospective future needs. Systems of local government vary in many ways from one section of the country to another, but by and large they suffer from most if not all of the weaknesses noted in the CED policy statement.

Most Local Governments Too Small

First, the vast majority of local governments are too small, both in area and population, to function effectively. That is, they are incapable of application of modern methods to the solution of modern problems.

Lest it be supposed that this observation was aimed primarily at rural America, it may be well to refer at this point to the Census of Governments made by the U.S. Bureau of the Census in 1962. The 212 Standard Metropolitan Statistical Areas contained within their boundaries, at that time, 18,442 separate units of government, 16,183 of them with power to tax property.

Within these 212 metropolitan areas there were 4,144 municipalities, but only 506 of them contained as many as 25,000 people. The CED policy statement suggests the desirability of a minimum of 50,000 people within any unit of general purpose government, if reasonable economies of scale are to obtain. But 1,261 of these 4,000 municipalities had less than 1,000 people living in them, and 1,409 others had less than 5,000 inhabitants.

The 212 metropolitan areas also contained 2,573 townships, but only 514, or 20 percent of these, had a population as large as 10,000. There were 528 townships with fewer than 1,000 inhabitants.

The metropolitan areas also had 5,411 special districts at that time, and the number of these is increasing quite rapidly. Only 179 of the special districts had multiple functions; the remainder were concerned each with a single function of government—fire protection, sewerage and sewage disposal, water supply, housing and urban renewal, or other.

The 212 metropolitan areas also contained 6,604 separate school systems, more than 6,000 of which were wholly independent, separate units of government. It may be worth noting that 912 of these "school systems" operated no school whatever, acting in most cases as tax havens. Moreover, 2,326 of these systems maintained only one single school, and fewer than 40 percent of the total had as many as 1,200 pupils in attendance.

The weakness of these thousands of tiny units takes on major significance when it is realized that in them is contained a high proportion of the fringe areas, where the most rapid future growth and economic development is taking place, or will soon occur. The CED policy statement said, "Even the largest cities find major problems insoluble because of limits on their geographic areas, their taxable resources, or their legal powers." If that is true, as we believe it to be, the inadequacies of small local units may be better understood.

Overlapping a Weakness

Second, the many overlapping layers of local government, found almost everywhere outside New England and the Southern states, are a serious source of weakness.

Cities, villages, townships, school districts, and special districts of many varieties, all compete in struggles for revenue sources, whether in taxation of the same parcels of property or in search of state and Federal grants-in-aid. They compete, also, in requests for home rule powers from the states, although the existence of duplicative

governments makes the allocation of true, discretionary home rule to any one of the overlapping levels difficult if not impossible.

Third, popular control over local governments is ineffective or sporadic, and public interest in local politics is not high.

CED believes that 500,000 is an altogether excessive number of elective local officials. The very multitude weakens interest and distracts attention.

Fourth, the internal structural organization of most local governments is far from up to date.

The larger cities are least objectionable in this respect. But most forms of local government do not even have a single executive authority, either elective or appointive. Most have independently elected department heads, fragmenting authority and making coordinated action a rare phenomenon. And legislative bodies leave much to be desired, in many cases. Both for making public policy and for carrying decisions through the action stage, the mechanisms of local government are found wanting.

Fifth, positions requiring knowledge of modern technology are frequently occupied by unqualified personnel.

Except in large cities, most department heads and division chiefs are amateurs. The spoils system still prevailing in parts of the Nation has deep roots in many local governments, but is only one source of this difficulty. Pay scales are usually too low to attract competent professional applicants. Further, specialized skills in the public service are too often held in low esteem by influential citizens.

Mr. Chairman, in your letter of June 6, 1967, you suggested that consideration should be given to certain specific aspects of the subject under discussion. The first of these was "the nature and intensity of problems often attributed to the existence of numerous separate governments in major urban areas." It seems to me that one paragraph in the CED policy statement outlines several of the resulting deficiencies.

There are strong reasons for disenchantment. American crime rates in rural, urban, and suburban areas are high. Several countries with less per capita wealth have lower infant mortality rates and longer life expectancies. Public school deficiencies are more noticeable, as the necessity for higher skills and stronger educational qualifications becomes more obvious. The character of public welfare programs and the competence of their administration are under attack. Urban transportation problems outpace attempted solutions. Slum clearance and redevelopment lag behind the processes of decay. Economic development of most 'communities' is frustrated by want of government power. Local units depend too heavily on the property tax, administration of which is generally so inequitable as to be scandalous.

Speaking for myself alone, in expansion of these brief sentences, I would make the following points:

(a) The existence of some 30,000 to 40,000 separate police forces is a contributory factor to the appalling extent of crime in this country, whether committed by organized groups or by individuals.

In metropolitan communities, most of all, small and amateurish police forces are totally obsolete.

(b) Public health work is primarily a local function, despite state legislation and Federal financial support. But tiny units cannot hope to employ the professional staffs or to build the expensive facilities required to meet modern standards. Please permit me to state the point quite bluntly—if Americans wish to enjoy the lower mortality rates and the longer life expectancies already achieved elsewhere, we will have to make drastic changes in our system of local government, and especially in our metropolitan areas. Either that, or the public health function must be shifted to the state or Federal level.

(c) The problems of school separatism, streets and highways, and public welfare administration are touched upon in the CED policy statement (pp. 35–38). In all these fields, small units are unable to provide suitable staff in fulfillment of the needs and desires of an urban population. Tax havens weaken local support for public education, at the minimum levels of basic schooling. The CED statement points out that more than half of the states now administer public assistance directly. Although this was historically a local function, everywhere, the present forms of local government failed to meet the tests of experience.

(d) Orderly and constructive economic development cannot be fostered effectively by tiny units of government. For one thing, competent land use planning is essential and this cannot be carried out suitably without extensive geographic jurisdiction. Moreover, here as in other fields, professional staff is a necessity that simply cannot be provided by a fragmented small unit. And large-scale physical development requires governmental as well as private investment that is far beyond the capability of all but a very few of the 18,000 local units serving the 212 metropolitan areas.

Excessive Reliance on Property Tax

A similar commentary, in far greater depth, could be offered for practically every function conducted by local units of government, including water supplies, waste disposal, fire protection, recreational and cultural services, and so on and on. But perhaps the most agonizing aspect of local government lies in its excessive reliance upon property taxation, and the incredibly poor administration of this revenue source. Seven-eighths of all local tax revenues derive from it, even when the cities and other larger units of government are included in the computation. For the thousands of small units in metropolitan areas there is no obvious major alternative to property taxation, since levies on sales or incomes are obviously inappropriate for their use. The CED policy statement contains the following statement on this subject.

Real property tax administration suffers from two major sources of inequity: unequal assessment and under-assessment. In view of the primary reliance on real property taxes, it is quite shocking that in most parts of

the country—whether urban or rural—its administration may be accurately described as inequitable, inefficient, incompetent, or corrupt. There is no more vivid illustration of the need for reform of local institutions.

The widespread extent of unequal real property assessment was shown in a 1962 study by the U.S. Bureau of the Census, covering areas containing three-fourths of the nation's population. In more than two-thirds of the districts studied, the one-fourth of all parcels assessed most highly in relation to real value were, on the average, assessed twice as heavily as the lowest quarter of all parcels. In other words, one-fourth of the taxpayers had to pay twice as much in taxes as the most-favored quarter, on property of equal value. This situation is not universal; counties under a manager plan had much lower deviations from average valuation levels. Conversely, conditions far worse than the average were found, with some taxpayers paying 10 or more times as much to the same local unit as others owning like properties.

The practice of assessing at levels below those prescribed by law is also a widespread administrative inequity. While nearly two-thirds of the states require assessment at full value, locally assessed real property averaged only 29 percent of market value in 1961. The averages in individual states ranged from 5.4 percent (South Carolina) to 67.6 percent (Rhode Island).

Most of the injustice and waste under the present system could be eliminated—quite readily—if property tax administration were entrusted to strong local units, properly organized and managed. Small, overlapping tax assessment and collection districts, with their amateur elective assessors and collectors, must give way to professionally competent personnel under incorruptible supervision. These changes would produce sizable administrative savings, permit equitable and accurate property valuations, and eventually reduce the number of successful assessment appeals. State governments have a basic responsibility, even though they gain little revenue from property taxes. They should set assessment standards, inspect enforcement, and provide technical assistance upon request.

Property levies should not be the sole source of taxation available to local units. Local sales taxes and payroll or income taxes are potential alternative sources, preferably under state administration. Under the system of strong local governments proposed in this statement, the authority of such units would properly extend to optional selections among local revenue sources. This would curtail the present reliance on state and federal aids. Services benefiting smaller areas might be supported through special assessment levies as we have previously suggested.

When county governments are reconstituted, they should be entrusted with property tax administration—at least for an initial trial period—under state supervision and with state technical assistance. Modernized local governments should be given authority to use a variety of additional tax sources.

Other specific subjects on which comments have been invited were: Devices for dealing with the fractionization of local governments, including voluntary cooperation and various approaches to structural or boundary changes; the role of state government; and the influence of federal programs. My observations will, of necessity, be brief.

Specific recommendations and conclusions in the CED policy statement on these subjects may be set forth here.

The states should clarify authority and provide financial incentives to encourage local units of government to enter into contracts with each other and with private organizations, thus increasing efficiency and avoiding duplication.

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Strong local governments should be encouraged to provide technical services to smaller units, charging them at most for the administrative overhead directly involved.

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County governments should gradually assume area-wide functions which other units cannot perform as effectively. City and county functions should be consolidated wherever practicable.

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Each state should revise its constitution to modernize the forms and powers of local government.

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Each state should create a boundary commission with continuing authority to design and redesign local jurisdictional lines, and to set timetables for consolidations and annexations.

* * * * *

Federal and state grants-in-aid should be carefully designed to encourage formation of larger, stronger, well-managed local units. Comprehensive local planning, as well as coordination of all functions and all units, should be a condition of such support.

I should like to add a personal comment about the possible role of federations or councils of governments in metropolitan communities. While councils are springing up in all parts of the country, usually under the impetus of Federal grant-in-aid legislation requiring their establishment as a condition for the provision of federal funds, it is much too early to assess their potential role in definitive terms. Even for those with longer and more successful histories, such as the Association of Bay Area Governments, the Washington, D.C. Council of Governments, and the Six-County Detroit Area Supervisors group, their limitations are as obvious as their advantages. It seems quite clear to me that their constructive potentiality is in inverse proportion to the number of local units contained within a metropolitan area.

There is no conceivable way to obtain voluntary and unanimous collaboration among 1,060 separate units, as in the Chicago area, or 963 units, as in the Philadelphia area, or 806 units, as in the Pittsburgh area, or 980 units, as in the New York-New Jersey metropolitan area, or even among the 80 units in the *average* Standard Metropolitan Statistical Area of this country. I am sure that that is why the CED policy statement has emphasized the latent possibilities in strong, thoroughly modernized county governments in metropolitan areas as well as in rural communities. After all, it may be possible to federate groups of counties, even across state boundary lines, if there are only four, or six, or twelve major units expected to cooperate, and to achieve common agreement on matters of area-wide concern.

Much more could be said, of course, about the role of state government in these matters. And CED plans to issue, next week, a new policy statement on "Modernizing State Government," which bears upon state-local relations in various ways. The CED statement on local government has already recognized the primary responsibility of the states, however, in the following words.

It is time for the citizens of the 50 states to take stock of their systems of local government in relation to urgent present and prospective needs. This involves more than an assessment of current performance. It also demands a judgment of future capabilities in planning and executing activities essential to healthy community development. As we approach the twenty-first century, weaknesses in eighteenth and nineteenth century forms must be corrected—or new systems created—if local government is to survive as a vital force.

May I thank you, again, for the privilege of presenting these views.

MR. EHRENKRANTZ: Thank you very much, Mr. Steadman.

The Commission will hold its questions until after all three speakers have had a chance to make their presentations.

The second speaker this morning will be Mr. Charles R. LeMenager,¹ Director of the California State Department of Housing and Community Development. The Department he heads has a broad range of responsibility for housing and community development within the State. Mr. LeMenager.

STATEMENT BY CHARLES LEMENAGER

MR. LEMENAGER: Thank you, Mr. Chairman, Senator Douglas, Commissioners. It is truly a pleasure to be here, and I want to thank you for the opportunity to comment on the governmental climate here in California. I have a long prepared statement which I gave you, but I will paraphrase it in order to stay within the 20 minutes you requested.

The intergovernmental climate for the treatment of urban problems in California differs from that in the other 49 states. In terms of its location, history, geography, population and its rate of growth, California is a unique case. Further, California has demonstrated initiative, imagination, and administrative diligence in using its own resources in the public service.

For example, California was the first state to establish county home rule, the second state to provide municipal home rule, the first state to have a Joint Exercise of Powers Act, and the only state to equip itself with Local Agency Formation Commissions. We have an Intergovernmental Council on Urban Growth for urban policy making and policy review. A modernizing revision of the State's Constitution of 1879 is being energetically pursued. Over half of the State's annual budget is directed for local assistance in the form of subventions, shared revenues and in-lieu taxes. Forty-four of the 58 counties, and over 250 of the 399 cities, have full-time, professional managers. Each of our eight metropolitan areas has an area-wide city-county organization, two of which are multicounty regional councils of government.

¹ Associated since 1950 with firms engaged in manufacture of prefabricated structures. Served as member of the Santa Rosa City Council and as Mayor of Santa Rosa.

Government Structure in California

Local government in California consists of 58 counties, 399 cities, 2,154 independent special districts, and 1,662 school districts. Counties and cities provide the basic and primary services to the citizens.

Counties are extensions of State government for the administration of State functions. For this reason, they perform for all county residents, both inside and outside of incorporated cities, the basic judicial function and the public service functions of welfare, corrections, agriculture, recording, and elections. Counties additionally have a variety of powers which they may directly exercise, such as planning and zoning, and many other services for urban areas outside of cities.

Cities are empowered to perform a broad range of functions, but they concentrate heavily in the health and safety areas, particularly in police and fire protection services. Over 70 percent of the State's population live within the limits of an incorporated city.

Actually, the general laws under which California cities and counties operate are so liberal in their delegated authority that only 11 out of 58 counties, and 70 of 399 cities, have elected to become charter governments and thereby obtain a greater degree of local determination.

The special district is another unit of local government providing local services. The special district is a defined area with a revenue capacity, largely from property tax and service charges, for the specific provision of one or more services to residents living within that defined area. There are special districts under California law which may provide up to eight services, as in the community services district. Most special districts, however, provide just one or two services, such as fire protection, water supply, or highway lighting.

School districts are a special class of special district. They are concerned solely with the public education function. School districts as well as other special districts have been reduced in number over the past few years: In the case of school districts, by an act of the State Legislature requiring district unification under certain circumstances, and in the case of special districts, through the operation of Local Agency Formation Commissions and the 1965 District Reorganization Act.

Revenue and Expenditure Patterns

California governmental expenditure patterns reflect the assignment of functional responsibilities. For example, the State's responsibilities for education, for health and welfare, and for highways represent the three largest blocks of State expenditure. These three areas alone amount to four-fifths of the State expenditure for 1965-66.

County responsibility for the administration of State and Federal public assistance programs is reflected in over half of the total county expenditure being allotted to that function. General county operations and public protection each approximate 15 percent of the 1965-66 total and together with public assistance represent over 85

percent of the county expenditure. These last two items include the function of the assessor, the recorder, registration and elections, the planning commission, the coroner, and the Local Agency Formation Commission.

Half of the overall city expenditure is in the three functions of public works (25 percent), police protection (15 percent), and fire protection (11 percent), and reflects the concentration of city responsibilities in these areas.

On the revenue side, note that the bulk of the revenues at the State level comes from four sources—the sales tax, the income tax, the gas tax, and Federal subventions. At the county and city level most revenue comes from three of the same sources—the property tax, the sales tax, and Federal and State subventions—but in different proportions. Counties rely almost half on earmarked subventions, a little less than that amount on the property tax, and very little on the sales tax. Cities also rely heavily on the property tax (about one-third), and intergovernmental subventions barely top the sales tax as the second most important source to cities.

We have not charted special district and school district revenue, but I can tell you they both rely heavily on the property tax. Special districts place equal emphasis on user-service charges, while school districts heavily augment their revenue with State subventions and equalization payments.

While we're on subventions, or grants-in-aid as the Federal government calls them, I will emphasize that State subventions to local government exceed Federal subventions to cities, to counties, to special districts, and to school districts, and exceed total Federal subventions to all local government at a ratio of better than three to one. Better still for local government, some of the State-to-local subventions and shared revenues like sales taxes and alcoholic beverage fees are unearmarked. Cities and counties can use their discretion in allocating these fiscal resources. And, we find that city councils and boards of supervisors are just as responsible in using this general purpose money as they are with the money that is raised with a local tax.

Still, a most persistent feature of urban problems is the growing deficit between revenues and expenditures. We are pursuing this aspect strenuously and our Intergovernmental Council on Urban Growth at its meeting yesterday received a study committee report directed towards a California position on Federal revenue sharing and tax-base sharing which should have a bearing on the 100 or so Federal-state-local tax-sharing bills now before Congress.

Intergovernmental Cooperation

In relation to other states, California is advanced in its responsiveness to urban problems and in its organizational and managerial capabilities of handling those problems. Take any three critical urban problems across the country, such as transportation, waste

management or housing, and you will find that California's State and local government is responding to the challenge.

In transportation, California is first in the Nation by 39 percent in divided highways when full access control is considered. California's highway building record is truly spectacular, with 2,791 miles of freeway completed in 1966 and 8,200 miles to be done by 1980; 866 miles of Interstate highway will be completed in 1967, with 2,165 miles to be done by 1972.

In the field of cooperative transportation planning, the State Division of Highways is a member of formal cooperative organizations of cities, counties, and other agencies engaged in transportation planning. Since 1960, State highway funds in the amount of over \$8 million have been contributed to these joint transportation planning efforts.

In waste management, the State is presently covered by nine Regional Water Quality Control Boards with and overall State Water Quality Control Board. Our three largest urban areas have had air pollution control districts authorized by State law—since 1947 in Los Angeles County, since 1950 in Orange County, since 1955 in the San Francisco Bay Area and San Diego and Riverside Counties, and since 1959 in Sacramento County. A statewide Motor Vehicle Pollution Control Board was established in 1960 based on a recommendation by a Governor's Commission on Metropolitan Problems that had been created in 1959.

In February of this year, a California Waste Management Act of 1967 was recommended to the Legislature by the administration. This Act would establish an environmental quality board to provide a unified approach to solving the problems of pollution control and improving the quality of our environment. Such a board would resolve policy conflicts between the air, water and solid waste disposal agencies and would make recommendations to the Governor and the Legislature to prevent pollution.

I will discuss housing and urban planning in some detail in a minute. I do want to say here that these previous points are not raised as evidence that California has solved its urban problems, but to support the point that California is actively pursuing solutions to those problems. In fact, of the 65 program areas listed in the 1967 State Legislative Program recommended by the National Advisory Commission on Intergovernmental Relations in the broad areas of taxation and finance, state assistance and standards for local government, and local government organization and powers, over half are already in effect in California. In many of these areas this State has been the leader and serves as the model not only for the Advisory Commission's recommendations but also for governmental innovation throughout the Nation.

As replies to specific questions in the letter of June 5 from your staff, let me speak first about the nature and intensity of problems often attributed to the existence of numerous separate governments in major urban areas; and, devices for dealing with such problems,

including voluntary cooperation and various approaches to structural or boundary changes.

The problem of numbers has been developed by scholars and theoreticians in the field of government, not by practitioners. The problem is not so much numbers of governments in urban areas, but cooperation, coordination, and a clear definition of respective responsibilities among those governments. In Los Angeles County, for example, where there are 76 cities, there are only two sewage trunk systems but they operate under 29 interagency contracts. There is the County Sanitation District covering the unincorporated areas, with about 25 subdistricts which include most of the cities outside of Los Angeles, and the City of Los Angeles sewage system.

Again in Los Angeles, fire protection is included under one master mutual-aid agreement for the cities and the county. Under this agreement, a city bordering the City of Los Angeles may call upon Los Angeles to respond to the call because they have a fire station closer to the actual fire than the city of jurisdiction.

California's Devices

California has several devices for dealing with the so-called problem of numbers. We have devices which encourage and make possible intergovernmental cooperation and coordination. California pioneered in this area in 1921 by adopting the Joint Exercise of Powers Act whereby two or more public agencies may agree jointly to exercise any power which each public agency is authorized to perform by itself.

In addition to the Joint Exercise of Powers Act, there are over 100 statutes which authorize joint contracts for specific functions ranging from milk inspection service in the Agricultural Code to joint mental health services in the Welfare and Institutions Code. It is estimated that currently there are about 5,000 interagency contractual agreements in existence in this State. Two of the largest and most complex examples are the nine-county Association of Bay Area Governments and the six-county Southern California Association of Governments, both of which have been formed under the authority of the Joint Exercise of Powers Act.

Another device which has been particularly useful with regard to the geographic dimensions in our urban areas is the boundary agreement. These are agreements between cities in a county by which they establish "spheres of influence" for each city into which the other agrees not to annex. These agreements exist on a voluntary basis between cities in Orange, Los Angeles, Solano, Riverside, Contra Costa and Fresno Counties.

Unique to California is the Local Agency Formation Commission. These commissions were established by the State Legislature in 1963 in each of the State's counties. It is a five-man board composed of two city- and two county-elected officials and one public member. It has the power to review and approve, amend, or disapprove the

formation of, and annexations to, cities and special districts. LAFCOs, as they are called, are using the boundary agreement approach to establish definitions between cities in the additional counties of San Bernardino, Ventura, Sonoma, San Diego, and Marin.

After three years of LAFCO operation, the Intergovernmental Council made a statewide survey and found that these commissions have, in fact, reduced urban sprawl and encouraged orderly urban growth. They have increased the area of annexations while reducing their number; they have reduced the number of incorporations, and have reduced the number of special districts. A particular note on incorporations: No new city has been incorporated in the State of California since August of last year. Prior to LAFCOs, the average was five or six cities a year, with sometimes as many as 14 or 15.

The District Reorganization Act of 1965 has helped, along with LAFCOs, to reduce the number of independent special districts in the State. This District Reorganization Act provides a uniform method for effecting changes in the State's numerous special districts. With relatively few exceptions, it lays out an exclusive method for annexation, consolidation, merger, and other organization change affecting special districts. Exempted are school districts, for which a parallel but more drastic procedure has long existed. Also exempted are regional countywide districts and certain other nonautonomous improvement and assessment districts.

The ultimate intent of this Act is substantial reduction of single or limited-purpose special districts that provide municipal-type services in unincorporated urban areas. Prior to this Act, district reorganization provisions were not uniform and in some cases nonexistent. Proposals for district reorganization may now be initiated by voter petition, or by the application of any affected local agency.

All of the methods for interagency agreements, with the exception of the LAFCO veto power, are based on voluntary cooperation. One dimension of voluntary cooperation which has not been mentioned so far, however, is that occurring at the regional level. With regard to the regional problems about which cities and counties can do little, if anything, by acting alone, such as air and water pollution, regional transportation, regional parks and, most important, regional planning, State law makes possible, the establishment of regional entities such as the Association of Bay Area Governments and the Southern California Association of Governments.

To encourage regional planning, the State Planning Advisory Committee has designated eleven regions of the State in which regional planning districts can be activated upon action of the cities and counties. The Intergovernmental Council on Urban Growth has the assigned task of promoting regional cooperation among State and local units on a voluntary basis.

The County Supervisors Association of California has made a pronouncement as a part of its California Commission for the County Tomorrow's study on modernizing county government. This document of January, 1967, includes the statement that "where problems

cross county lines and defy solution through less formal governmental structure, counties should seek solutions through participation in regional organizations which are governed by locally elected policy makers."

Role of State Government

The role of the State government is basically that of providing its cities and counties with legal authority to act and with technical and financial aid to carry out those actions. It is difficult to find a public activity in this State in which State government is not in some way involved. The State provides about 400 specific kinds of technical assistance to local governments.

A number of governmental services rest primarily with State government, including the policy powers of health, safety and welfare, and schools, water development, major highway transportation, state parks and regional recreation. But with these functions and, in fact, with almost all public programs there is a sharing of responsibility. State government seeks to be both responsive and responsible in its cooperative programs between State and local and State and Federal governments.

Examples of State-initiated action are the growing system of colleges and universities under the California Master Plan for Higher Education, the California Freeway Plan, the California Water Project, the Master Plan for State Beaches and Parks, the California Outdoor Recreation Plan, and the State Development Plan program. All of these programs are being carried on with the help of Federal and local government, but State government has provided the leadership.

Traditionally, the solution of planning problems, particularly as they relate to land use, development, subdivision regulation, housing, and zoning has been the responsibility of local government.

In recent years, however, the State has accepted an enlarging partnership with local government by providing a framework and standards in housing, subdivision, building, and other areas within which the cities and counties can pursue their traditional responsibilities, but has not included the direct sharing of responsibility for the control of land use or the density of such use—two areas of grave concern in urban areas.

The magnification of the concerns in urban areas brought on by the increasing demands of a growing population, and the increasing complexity of the possible solutions, have caused the State to focus attention on the total planning problem. In response to this need, California has just completed the second phase of a State Development Plan at a cost of \$2.5 million. It is designed to add to the decision-making and problem-solving capabilities of the State and local governments in the areas of urban expansion, transportation,

open space, resource development and utilization, and a broad range of other concerns.

It is in the sophistication of the decision-making process that California has invested a great effort that ultimately will have a dramatic impact on our ability to untangle the urban problems and bring about a more desirable urban environment.

Beyond the Development Plan, the State has established legislatively and helped finance the Bay Area Transportation Study (BATS) and the Bay Conservation and Development Commission (BCDC) to increase knowledge and help find solutions to major problems in the San Francisco urban area. It is also a participant in the Los Angeles Regional Transportation Study (LARTS).

To help our cities and counties keep pace, increase their store of knowledge, and improve their decision-making process, the State has distributed and administered over \$5 million in Federal planning assistance funds since 1957 as a part of its local assistance program. The knowledge generated by this program has made possible the better use of lands, resources, and monies in most of the more than 300 participating cities and counties. Added benefits have been achieved through State-encouraged coordination between local planning efforts and those of regional organizations such as the Association of Bay Area Governments (ABAG) and the Southern California Association of Governments (SCAG).

The success of our efforts to date is encouraging by most standards. We hope our continuing efforts will meet with even greater success.

The Department of Housing and Community Development was established by the California Legislature in 1965 with the basic objectives of providing advisory services and technical assistance to local governments and the private housing and construction industry in California. The following "mandatory" responsibilities were granted to the department: (1) advise, aid, and assist both government agencies and private enterprise in connection with the availability of Federal assistance for housing and community development purposes; (2) recommend changes in State and Federal laws necessary to meet the needs of housing and community development in California; and (3) establish general policies in all areas of jurisdiction and responsibilities held by the prior Division of Housing of the Department of Industrial Relations. This division had been primarily concerned with enforcement of the State Housing Law, Mobilehomes and Mobilehome Parks Act, Employee Housing Act, and Earthquake Protection Law.

Established concurrently with the Department of Housing and Community Development was a Commission on Housing and Community Development consisting of nine members appointed by the Governor. The Commission has responsibility for determining policy for the Department and for promulgating rules and regulations under the State Housing Law, Mobilehomes and Mobilehome Parks Act, and Employee Housing Act. The director of the Department, also appointed by the Governor, serves as the secretary to the Commission.

Day-to-day activities of the Department are handled by the two following divisions: Division of Building and Housing Standards and Division of Housing and Community Development. Each division is headed by a chief appointed by the Governor, serving at the pleasure of the director.

Basic problems affecting the Department and the field of housing and community development are reflected by the following five primary objectives of the Department: (1) gathering meaningful statistics and research data regarding housing and community development; (2) identifying those factors which impede the development of low-cost housing by private developers; (3) providing local government and private enterprise with the necessary expertise to plan and execute community revitalization programs; (4) creation of the proper framework to insure uniformity and consistency in the administration of building regulations and codes; and (5) revision of building regulations concerning housing and building standards.

As a major effort to satisfy the need for uniformity in building and housing standards, the California State Legislature in 1961 had repealed the former State Housing Act and authorized the Division of Housing to develop a uniform set of building standards for dwellings, apartment houses, and hotels. The Legislature realized that in order to keep abreast of the rapidly changing technology, the most effective way to handle this was by administrative regulations which could be quickly amended as changes became necessary. As a result, the Division of Housing, in cooperation with State and local agencies, in 1963 developed administrative regulations known as the State Housing Law and Building Regulations. These regulations established the minimum statewide building and housing standards. Although local jurisdictions must abide by these statewide minimum standards, they are permitted to adopt additional regulations to meet special local conditions. Realizing the need for uniformity, the State minimum standards are reasonably consistent with the Uniform Building Code as well as other State and nationally recognized standards.

Over the years, California's building and housing standards have become more complex and sophisticated, due to modern technology and the changing times. The population explosion in California has created more local governments, and a multiplicity of building and housing standards have been established by these new local governments. This situation has created many problems for the public, especially for those concerned with the building and housing industry. California recognized this problem in 1961 and is taking the lead in developing new and up-to-date State building and housing regulations without sacrificing the principle of home rule.

While there is a need for uniformity, it should be recognized that there also is a need for flexibility. Keep in mind that California has many unique situations. These situations exist not only on a statewide level, but also on the local level. As an example, California is more susceptible to earthquakes than most of the other states; certain areas of the State are subject to extremely heavy snow loads,

while others have little or no snow at all. These two illustrations indicate the need for flexibility in building and housing standards to allow adjustment for special conditions.

California has recognized the desirability of uniformity and the need for flexibility in building standards. The State Building Standards Commission, whose purpose is to eliminate conflict, duplication, and overlap in all existing State building standards, and to develop uniformity and consistency in a single performance-type State building standards code, has been given, by legislative act of 1965, the impetus it needed to accomplish this codification. The task is enormous, since there are some 30-odd State agencies which will administer portions of the code, and they must all participate in its development. Progress has been made toward completion of the State Building Standards Code, and completion is scheduled for July 1, 1970.

Federal Programs and Urban Government

New Federal urban programs tend to bypass state government and, in some instances, such as the War on Poverty, tend to bypass local government as well. This trend for new institution building, and the more prevalent Federal program requirement for regional planning and program coordination, are both affecting urban governmental patterns and relationships. The latter is strengthening existing regional councils of government, such as ABAG and SCAG, by giving them the areawide review responsibility for project grant applications within their regions. It is creating new countywide organizations of cities and counties. In the past six months, such organizations have been established in Bakersfield, Fresno, Stockton, and Santa Barbara. Some of these would have occurred anyway, but several were encouraged to the point of irritation by the anxious endeavor of the regional office of the Federal Department of Housing and Urban Development to meet the legal requirements of Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 by the deadline date of June 30, 1967.

The trend for the building of new institutions, which cut across many old established jurisdictions, is merely noted here because the trend is new, and its full impact and direction cannot yet be fully assessed. It does not, however, improve the status of the Federal government in the eyes of state and local officials.

The State is becoming increasingly self-conscious about its intergovernmental roles, particularly with regard to Federal grant-in-aid programs involving units of local government. Where the initiation of programs on the part of the Federal government may be required elsewhere, this does not necessarily hold for California. On this point, the Intergovernmental Council on Urban Growth is in the process of a survey of California State roles in Federal urban programs. One action the Council is considering concerns increased California participation in the design, development, and administra-

tion of Federal grant programs. This is based on the recognition that the intergovernmental climate in California differs from that in other states, and that Federal programs administered in California should be groomed to California's circumstances.

Thank you very much.

MR. EHRENKRANTZ: Thank you very much, Mr. LeMenager.

Our third speaker will be Mr. Theodore Meriam,¹ member of the Board of Directors of the Institute for Local Self-Government. Mr. Meriam is a California businessman who has also a broad background of public service and governmental activity. Mr. Meriam.

STATEMENT BY THEODORE MERIAM

MR. MERIAM: Thank you. Mr. Chairman, honorable members of the Commission, I appear here today in response to your Commission's invitation to discuss various problems concerning governmental relationships in metropolitan areas, and not specifically in support, advocacy or opposition to any particular legislative proposals.

We understand that other witnesses will point their testimony toward matters of structure, revenue and finance, organizational arrangements and working relationships within specific program fields. To present your Commission with a balanced picture of local government in this state, our remarks will be primarily dedicated to the philosophy and purposes of local government as they pertain to the areas of your Commission's interest.

The Institute is now in its second decade of service in providing research and education to promote and strengthen the institutions and processes of local self-government. In so doing, we have been intimately involved with several of the broad ranges of subject matter which are the focus of your work. We have studied and published various reports in these areas, and I have made available, separately, copies of our latest report on the Association of Bay Area Governments. (I will return to a discussion of that organization later.)

Our program is guided by the recognition that local governments are responsible bodies competent to discharge their own functions, and that their exercise of responsibilities is in their own right, not as agents of government departments or higher levels of government.

California Is Different

In speaking to the question of today's hearing—governmental structure and relationships in major urban areas—I eliminate myself as an expert or authority on the national scene. I am, however, familiar and experienced with this subject in California. It is of our situation that I will speak and indicate that not only are our problems and needs different from those elsewhere, but also we have taken im-

¹ Also member of the Board of Trustees of the California State Colleges. Has served as mayor of the City of Chico, California, and as president of the League of California Cities.

portant and progressive steps toward solving our problems. Frequently, no appropriate recognition is given in Federal program guidelines to those differences. Probably each state you visit will contend that it is a case unlike any other. But perhaps even this "provincialism" might carry a message for you: that while in union there is strength, the strength of our Union is diversity.

In balancing local and national values there are conflicts and alternatives, as both national and local governments execute aspects of the same goals. Many of the new approaches at the national level are based on what is understood to be national value judgments. Today, local decisions and goals are made increasingly in the context of "what the Federal government seeks." In such fields as land use, codes, and other obvious local responsibilities, the national purposes are often enunciated and administered in a fashion that can only place localities in a negative light if they "fail to go along." Though obvious, it must be stressed that not all communities have the same problems, resources or aspirations.

There is a great difference between what might be called "Federal standards" and "national standards." The former are stultifying and stifling. The latter can provide national, overall guidelines within which state and local decision-making can be influential and which give rise to democratic processes providing for the participation of a great many more people.

California local governments contend that there should and must be a formula for national standards that provides for a certification process which makes the state eligible for participation in Federal programs but which does not tie them to the standards of the least common denominator among the states. The most difficult problems concerning structure and the relationships between levels of government in our metropolitan areas are based on nonrecognition of actual conditions in local government in California. In the paragraphs immediately following I will elucidate some of these differences. At the outset, however, I want to stress that our problems cannot be solved if situations elsewhere are taken as the model to which we must conform in seeking solutions.

The remainder of my presentation will be divided into three main segments: (1) basic philosophy and quality of California local government; (2) pioneering, innovative efforts at solving problems; and (3) generalized comments in areas of the Commission's interest.

1. Basic Philosophy and Quality of California Local Government

(a) To begin with, in California our local governments are non-partisan. Party designations or symbols do not appear on our local government ballots, and candidates for local public office do not, with rare exceptions, stand primarily as political party representatives. We do not practice the ethnic, religious, or geographic games played elsewhere in devising party slates for local government elections. Our local governments are concerned primarily with problem-solving and service-providing endeavors. They are not looked upon

as structural units in the building of a political party system within a state and later fitted into a national partisan operation.

(b) Secondly, our local governments are generally administered by full-time, paid, professional public administrators thoroughly familiar with modern concepts of public administration set in a non-partisan framework. Approximately one out of every seven professional city managers in the United States is in California. (Of 2,175 cities with the council-manager form of government 306 are in this state. More important than the national average, however, is the realization that three out of four cities in California have either a city manager or a variation in the form of a chief administrative officer.

About half of our 58 counties also have a full-time chief administrative officer, and these men make up about 25 percent of the Nation's total of full-time, professional, chief county administrative officers or managers.

The nonpartisan nature of our local governments, combined with professional management, is basic to your comprehension of the remainder of our presentation and to conditions as they exist in California. The name of your Commission—the National Commission on Urban Problems—implies that the urban problems are the same throughout the country or that a specific group of urban problems are common and receiving the same attention or inattention. While urban problems have some common ground—as, for example, do all people named Jones—we would not agree that they are receiving the same inattention here as elsewhere. Nor do we think that there are uniform solutions that can be devised nationally and applied throughout the country with California in the same mold.

(c) Continuing my point and our discussion of philosophy, I should like to move to a consideration of the amount of citizen participation in the local government processes and institutions in this state. The Institute has a particular competence in this regard, and on the basis of preliminary research we are fully prepared to defend an assertion that for every seven full-time paid municipal employees at work in a California city, there is one citizen serving in an official capacity with no, or merely a token, remuneration for his services. We have 135,000 full-time municipal employees in this state, but we have almost 20,000 citizens serving their local governments on an official committee, board, commission, or advisory agency. This is not a theory of citizen participation. This is a fact of local government life in California, and I'm not at all certain but what it represents a kind of direct democracy (or at least citizen influence on governmental processes) that rivals the vaunted New England town meeting to which we refer nostalgically in Fourth of July speeches. In any event, it insures that our local governments fulfill their major purpose, which is to provide services and functions in an intimate setting in accordance with the will of the people in local communities.

(d) Our personnel systems are among the best in the Nation.

Please let me refer to some figures that were recently officially reported to Senator Muskie in connection with the several intergovernmental personnel bills now pending before Congress: (1) At the State level, with the exception of legislative and judicial employees, about 97 percent of all State employees are covered in a merit system which exceeds current Federal standards. (2) At the municipal level, well over 85 percent of all municipal employees are similarly covered.

I make the point for two reasons: First, to illustrate the nature and philosophy of our local government, and, secondly, to indicate the futility of trying to assist California to solve some of its metropolitan problems with Federal legislation designed with a situation in mind where the above-quoted figures would be reversed. Again, the necessity for a "certification procedure" to fit California in order to enable it to continue innovating, experimenting, and pioneering is pointed up and emphasized by reference to this particular situation.

(e) Finally, in this State we have constitutional home rule. The home rule provision in our constitution has been the norm of life in California for 70 years.

Against the background of the fundamentals of California local government, it is pertinent to move into the area of metropolitan problem-solving and to note, initially, that local governments here work in tandem with the State and in harmony with its legislative, judicial and administrative processes. By so doing, we have developed various innovations and devices for dealing with "many of the problems often attributed to the existence of numerous separate governments in major urban areas," noted in the call for this hearing. We have been in the vanguard and have developed institutionalized cooperation that brings governments together in cooperative endeavors to both provide and explore alternative approaches to the provision of governmental services.

I stress the last clause of the preceding sentence—"provision of governmental services," for that is what the name of the game should be, and that is what we are concerned about rather than any doctrinaire fascination with a "numbers game" that would arbitrarily reduce or consolidate local governments or remove from them necessary governmental powers.

Let me briefly illustrate some of the progress we have made in the belief that it is fundamental in our concept of local government to make experiments to solve problems locally, where they originate, rather than to wait for prescriptive solutions to be imposed by higher levels of government. These experiments, on the whole, have been successful approaches to achieve the solution of metropolitan problems which we take in its simplest form to be the adaptation of area to function. These developments have been squarely in line with American traditions of local self-government.

Pioneering Tools for Problem Solving

2. Pioneering, Innovative Efforts at Solving Problems

(a) *State Agencies.* In 1963, in its concern for urban affairs and metropolitan problems, California created the Coordinating Council on Urban Policy, now known as the Intergovernmental Council on Urban Growth. It was one of the package of four bills on urban affairs (two others combined to create Local Agency Formation Commissions in each county and another replaced the existing regional planning district law).

The Council consists of 18 members appointed by the Governor and it is lodged in his office. Its initial functions were to study urban growth problems affecting local government, to define complementary roles of State and local units, and to develop and recommend long-range plans and policies to assist State and local units in meeting urban and metropolitan area growth problems. The Council is composed of representatives of cities, counties, school districts, State officials and the public at large. It is not a "State agency" in the usual sense of the words. It is, in brief, California's advisory commission on intergovernmental relations with two guiding stars: (1) to act as a vehicle for the development of coordinated approaches to urban problems; and (2) to serve as an intergovernmental agency for urban and metropolitan policy formation.

(b) *Regional Organizations.* Here too, California has been in the lead with the creation of the Association of Bay Area Governments and the Southern California Association of Governments. A third organization, Valley Association of Governments, is now being considered. Well over 60 percent of the metropolitan population of the State is now represented in these organizations, which are functioning, regional entities. ABAG has, in fact, become a nationwide model, and we at the Institute for Local Self Government are not unflattered that several Federal agencies have seen fit to widely distribute our study of that organization as the guide document for the standards which they are encouraging other regions to achieve.

These councils of governments, we believe, must be based on two firm pillars: 1) voluntary association, and 2) membership composed of the elected local government leaders of cities and counties in the region. Councils of governments have lately been recognized as providing an alternative both to the criers of gloom and doom over metropolitan problems and to those who advocate supergovernments as the only solution for America's troubled metropolitan areas. These associations are well on their way to becoming extremely effective devices for dealing with regional problems. We have not yet developed in America generally accepted criteria for an effective or desirable system of regional governance that would fully satisfy the interests of the state, the Federal government, the citizens of the region, and the politically elected leadership in it. Viewed one way, the councils of governments are an extension of local government resources to the problems of a region. They have, in fact, shown us the road to regional home rule. They have also proved that locally elected, mostly part-time, officials can serve their local governments and at the same time their region.

To those who advocate consolidation of local governments as an alternative to regional problem-solving through organizations such as ABAG and SCAG, I would point out that the United States is now turning from a manufacturing-oriented economy to a service-oriented economy. The Chairman of this Commission, as an economist, well understands what this portends. We believe that much of the recent research concerning local government consolidation has not taken this fact of our Nation's life into consideration at all. The differences in our national life that will be occasioned by this historic change have proportions that are only now just being comprehended by our most far-seeing economic analysts. In service-oriented economies, it is fundamental that the scale of the units be small—not large. This is just the reverse of a manufacturing-oriented economy. This is so because services are provided where people are, and in a service-oriented economy people are scattered, whereas in a manufacturing economy the sources of employment tend to be most economically utilized when they are concentrated. There must now be a delineation in classical concepts about economy of scale in the new revolution leading to the service economy. Notions of economy of scale which may—I repeat, may—have been valid 25 years ago are no longer so today; and, they will be less so in the future. Bigness itself is no guarantee of efficiency. I remind you that when an organization gets big the first thing it does for efficiency is to decentralize.

(c) *Interlocal Agreements.* California has been in the forefront of the development of the so-called Lakewood or Contract Cities Plan which allows smaller units of government to contract with larger ones for the provision of government services—in effect, achieving economies of wholesale distribution of governmental functions and services to retailers of them. Interlocal agreements run quite a wide gamut in California, reflecting the necessity and desirability of keeping differing patterns of governmental organization, of assigning functional responsibilities and, of course, retaining local flavor and finite differences between communities. Generally, such agreements pertain elsewhere around the country to proprietary services. While that is likewise true in California, the range has been considerably amplified here to include a wide variety of supportive services such as police radio, criminal identification, court records, and joint building and maintenance of public buildings. These may be found elsewhere, but less commonly so.

In California, interlocal agreements have reached a rather full flowering, and they are not limited to just the previously described functions. They are widely used to provide services in functional areas where greater discretion is necessary and where there is less standardization. In short, we use them for a wide variety of public services and facilities of both a proprietary and general government nature. Some of the more common needs with which these cooperative agreements deal are water supply, sewage disposal, refuse disposal, fire and police protection, recreation, library services, planning and building code inspection and enforcement.

California's governments, working together in such fields as health, property assessment, tax collection, and welfare, have already escalated the provision of these services to wider geographic areas throughout the whole State. All but two of our 400 cities have agreements with the county, for example, for the provision of coordinated, areawide health services. Every one of our cities and counties has an agreement with the State enabling a 1 percent local sales tax to be added to the State's 3 percent centrally collected and locally distributed tax, with but a minor deduction for administrative costs. For all practical purposes, assessment is on a countywide basis, and by 1971 those few cities that now make their own assessments will come under the countywide system.

Aside from mutual aid pacts, which are common to local governments everywhere in the United States, more than half of our cities have one or more written cooperative agreements with other cities, counties, special districts, or the State. The range of what now totals over 4,000 such agreements is as wide as the imagination of local government officials, and runs the gamut of area problems. Specific examples of the nature of the agreements and services can be obtained from the 1959 report to the State Legislature on this subject and from the League of California Cities and the County Supervisors Association of California, both of which I understand will meet your Commission in the fall of this year.

(d) *Local Agency Formation Commissions.* California is the only state in the Nation which requires the establishment of a Local Agency Formation Commission in each county to rationalize unwarranted proliferation of local government. In keeping with our principles of local self-government, the cities and counties themselves are charged with the responsibility of controlling proliferation, and each LAFCO sets its own countywide development pattern. Our LAFCOs represent the first joint city-county venture in which local officials are charged with studying community problems in depth and developing an effective, efficient governmental structure for their areas. Membership in each LAFCO consists of two elected city officials—mayors—and two elected county supervisors, with the four choosing an impartial chairman to represent the public.

By creating LAFCOs, California has modernized its incorporation procedures and has provided a mechanism for reconciling the rights of a community desiring to gain municipal status with the interests of established cities within a metropolitan area as well as the county. (In California, cities cannot annex across county lines.) The LAFCOs are designed to provide control over local boundary changes, and they act as a restraint on new formations by fulfilling their powers and duties which are to:

- ... review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for the incorporation of cities, creation of special districts and the annexation of territory to cities or special districts;

- ... adopt standards and procedures for the evaluation of proposals for such incorporation, annexation or creation.

In the first year of their statewide operation, only 17 new districts and one incorporation won commission approval, as against 186 districts and five cities the year previously. LAFCOs provide protection that unincorporated areas have long sought against piecemeal and uninhabited area incorporations and annexations as well as the proliferation of single-purpose special districts. They also are a useful device to harmonize area requirements with service standards. They are the first such entity in the country to be established in every county of a State to do so. We recognize, however, that they are still in a stage of imperfection, and legislation is being considered to make them more nearly perfect. The point, however, is that California is pioneering, inventing, and innovating, not meeting its problems with tired old formulas, with one-shot magic consolidation bullets or with governmental inventions which come to us with a "made in Washington" or "Sacramento" stamp next to the trademark. Believe me, we are making steady forward progress on a broad front, and along that front are doing so in a fairly uniform and coordinated manner.

(e) *Other State Legislation.* After 46 years of operation, it is always a surprise to me to find our Joint Exercise of Powers Act held forth as a pioneer model. Our law is still recommended in that vein by the Advisory Commission on Intergovernmental Relations and other groups who point to it as an innovative and progressive approach to the solution of some of the problems of "governmental structure and relations in major urban areas." Quite simply, this very brief act authorizes an agreement between any two or more governments in California to perform a governmental service or function jointly, provided that any one of them has the power to do so singly. I am sure your staff can provide copies of this law from our Government Code for your study.

In 1965, California modernized its legislation concerning special districts, which you know have a tendency to abound in metropolitan areas, giving rise to some of the root problems whose manifestations may appear later as inadequate revenues, mismatch of territory and service area responsibility, proliferation of governmental entities and diffusion of governmental responsibility. The purpose of the District Reorganization Act of 1965 was to develop a means of assuring that needed local services would be provided by that local government best able to provide them with greatest efficiency at the lowest cost.

The Act recognizes that special districts will continue to be useful in this regard, but it also recognizes that provision must be made to eliminate overlaps and make possible mergers and dissolutions. It applies to annexations, detachments, boundary changes, dissolutions, consolidations, mergers, and reorganizations. It applies to all special districts with only a few exceptions, and provides an exclusive method for effecting changes of organization which give LAFCOs powers over reorganization similar to their present powers, but with final actions delegated to District Boards of Directors and Boards of Supervisors. The Act does not apply to incorporation of cities, the an-

nexation or detachment of territory to or from cities, or minor changes in cities' boundaries, or the consolidation of cities. While the procedures of the Act are complicated, it does provide that LAFCOs have the authority to condition approval of annexations or incorporations upon changes being made in special district boundaries and vice versa; as well as proceedings to be initiated by a city by petition or resolution to the LAFCO for the detachment of a portion of the special district's territory. Thus, we now have in California an orderly, workable process for handling the bulk of the territorial *cum* jurisdictional problems concerning special districts. Here too, it is believed we have pioneered and once again faced up to the cause and not merely the symptoms of some fundamental metropolitan problems.

(f) *Intergovernmental Working Relationships.* Perhaps a major portion of the success we have had in avoiding the intensity of the metropolitan problems experienced elsewhere lies in the day-to-day working relationships between State agencies and local governments. These range from relationships worked out in such intergovernmental programs as highways, welfare, health and education to cooperative purchasing agreements and other services which are quite common here. Numerous examples could be cited, such as the fact that many of the classification and pay-scale plans for local governments in California are prepared as a working service relationship between them and the State Personnel Board, which also provides additional cooperative personnel services to local governments throughout the State.

We are pleased to note that the Federal government has recognized the intergovernmental partnership in California. Last year the Assembly Committee on Municipal and County Government of the California Legislature received an award from the Department of Housing and Urban Development for its work in developing intergovernmental machinery for reducing disorderly urban growth, and its subsequent efforts to insure effective utilization of the machinery by our local governments. The Committee's work was instrumental in the passage of some of the legislation I referred to earlier which revised the State statutes to clearly define the purpose of LAFCOs as "the discouragement of urban sprawl and the encouragement of the orderly formation and development of local government agencies." Similarly, its work was cited in the development of a single, easily activated procedure for special district consolidations, dissolutions, et cetera, of which I spoke previously, in place of the former 170 different procedures; and, its compilation of an Analysis of Special District Laws which was distributed to local governments to encourage greater use of the new legislation.

3. Generalized Comments in Areas of the Commission's Interest

At base, a good many of our metropolitan problems stem from the fiscal incapacity of local governments. Without going into the merits of the proposals now widely talked about for Federal block grants or removing fiscal imbalances through some form of intergovernment-

al revenue subvention "without strings," it is obvious that local governments must swim in the mainstream of governmental finance. The mainstream is the Federal income tax revenue. By Federal design, plan and policy we are not now being allowed into that mainstream. Thus, the Federal government consciously relegates local governments to the backwaters and eddies of governmental finance. We would be more optimistic of a true national dedication to solving the metropolitan problems of this country if we could see more evidence of a Federal desire to put the fiscal house in order.

If block grants, tax credits, or subventions without strings seem to be too innovative or imaginative for Federal consideration in the development of creative federalism, we suggest, as a first step, the removal of the essence of Federal land tax exemptions in our metropolitan areas by Federal payments to local governments of a fair share of the local public service costs applicable to its properties. It would, at least, be a start on solutions to the metropolitan fiscal problem. As yet, there is no evidence of a Federal interest to do so. A concentrated Federal effort in this direction would be hailed as welcome evidence of a Federal dedication to achieve solutions to metropolitan fiscal problems within the framework of our traditional American federalism, which rests on a foundation of strong local self-governments.

My concluding remarks are inspired by the bottom of your Commission's letterhead which indicates that your major areas of concern are "Codes, Zoning, Taxation, Development Standards and Low-Cost Housing."

We urge this Commission *not* to give favorable consideration to recommendations made to it that would remove zoning powers from municipalities under 5,000 population. Apart from the valid arguments as to why 5,001 is better than 4,999, or those concerning special circumstances that require municipal planning activities disregarding "population" as the sole criteria, a good case can be made that zoning functions and related activities of smaller cities need to be strengthened rather than weakened or eliminated. The proposal as it now stands would eliminate a legitimate and useful function of local government for which it is singularly equipped and of which it possesses unique knowledge. This elimination would affect about one out of every eight cities nationally, and, about one out of every six cities in California. This would be a giant step in the wrong direction. Upon request, and with proper arrangements, the Institute for Local Self-Government would be pleased to prepare for you a set of alternatives that from a standpoint of local self-government would be much more palatable and in accord with facts as they exist, rather than as theory imagines them to be.

Similarly, the Institute for Local Self-Government suggests your unfavorable consideration to the promulgation and advocacy of permissive statewide building codes. We are singularly unimpressed with the research that indicates that the present system causes any hardship. We do not believe that present building codes have hampered

construction of housing. Indeed, the bald fact of the matter is that for the past two decades there has been one new home started every year for every 60 families in the United States—a performance unmatched in history and undreamed of not too many years ago. Permissive building codes adopted by state legislatures have a way of becoming mandatory ones in not too many years. The present model for your staff work, put forth by the Advisory Commission on Intergovernmental Relations, provides that local amendments to the permissive code could not be implemented without reference to a state agency for prior approval. How “permissive” is that? It also suggests the conditioning of Federal loans or grants “. . . upon conformance of aided projects to the State model code.” How “permissive” is that?

Mr. Chairman, at a time when a major thrust for a viable federalism which could strengthen local self-government is toward a no-strings-attached block-grant concept, this suggested building code comes as a relic of a quarter of a century ago. It would be movement in the wrong direction, at the wrong time, to achieve wrong purposes insofar as imaginative solutions to modern metropolitan problems are concerned. There is no hard evidence to show that a builder ever refused a commission to build a house or office building in town X because its building code was different than in town Y, although both are in the same metropolitan area. This is the true test, a typically American pragmatic one in the market place, rather than theory developed a quarter of a century ago still being put forward to provide solutions to problems which either no longer exist or whose dimensions have so altered as to make the proposal currently irrelevant.

This Commission will probably give consideration to a proposal for the state licensing of building inspectors. We make another adverse recommendation to you. We urge you to reject that concept, just as we have done with reference to the proposal to eliminate the zoning function from cities under 5,000 and the withholding of it from newly incorporated cities under 30,000; and the proposal to foster statewide permissive building codes by conditioning Federal grants upon their adoption.

The licensing or required certification of building inspectors at the state level would eliminate a traditional and necessary local government function. As a matter of fact, building inspection just happens to be the oldest local government function that we know of. In our oldest known code of laws, the Code of Hammurabi, which is 4,000 years old, you will find the penalties fixed upon a builder whose house collapses or who hornswoggles the building inspector. There are similar references in the Bible.

The obvious rebuttal to the proposal is, of course, that municipalities are competent to control the qualifications and conditions of employment of its employees, including building inspections. If state legislatures provide for certification of building inspectors, the result will be legislative setting of salaries for them. If they do it for this category of municipal employee they will affect all local salaries. This

type of legislation has been repugnant to local government, and practically unknown in this State, for more than a generation. Aside from the fact that the state is not in as good a position to judge the quality and competence of local inspectors, we hold it as a basic tenet of local self-government that local salaries be set by local governments, not higher levels of government. The major espouser of the proposal, the Advisory Commission on Intergovernmental Relations, itself says that after adoption of a state licensing or certification program it will probably be necessary for the state "to compensate for the higher salary requirements that would result from the program." Thus, not only would the legislature set local officials' salaries, but they would then begin to call the tune because he who pays the piper has the right to do so. Local governments would soon be dancing yet another jig to keep step with diluted power and responsibility.

Mr. Chairman, we trust you will understand our reasons for referring to these last three matters: 1) zoning, 2) building codes, and 3) building inspector certification. They are germane to your inquiry and are, of course, specialized aspects of today's investigation of governmental structure and relationships in major urban areas.

Definitive progress cannot be made as our Nation moves from a manufacturing-oriented to a service-oriented economy, unless local self-government is strengthened, not weakened. All federally sponsored programs which in any way involve local governments should include maximum feasible participation of local governments through their duly authorized and designated officials in the planning, policy-making, and operation of the programs.

Federal programs in metropolitan areas should include, as a fundamental principle, the acceptance of local government control and direction in recognition of the traditional fact that in the overall process of governance, local governments have the responsibility of providing the most important ingredients of civilized life. The best interests of this State and Nation require the maintenance and nurturing of strong, healthy local self-governments to give direction to all activities which affect the lives of the people who live in them.

QUESTIONS BY COMMISSION MEMBERS

MR. EHRENKRANTZ: Thank you, Mr. Meriam.

Mr. Steadman, and Mr. LeMenager, if you would come to the speakers' table we will begin our questioning period. After the members of the Commission are through with the questions that they have, there will be an opportunity for contributions from the floor.

Quality of County Government

MR. VANDERGRIFF: *Thank you, Mr. Ehrenkrantz. This has been most interesting testimony. I should like first of all to ask a question of Mr. Steadman.*

Mr. Steadman, it seemed that you stressed the advisability of county governments gradually assuming areawide functions. Now I want to begin by saying that we have on our Commission one of the most forward looking county officials I have ever met, and I don't say that to be politically polite because we are far from his own county, and I don't suppose there is anyone here from Orange County who can vote there. I say it as a fact developed from conversation with him. But my point is, at least in my section of the country, the county seems to be a level of government in which we find those most opposed to change, most opposed to assuming new powers, new authority. I wonder how you would reconcile this fact of life—a fact at least in my area—with your position that it is the county where we have the greatest hope for proper efficiency. True, from a fiscal standpoint, it has all of the potential. But from a practical standpoint doesn't the evidence seem to be in the other direction?

MR. STEADMAN: I think your observation has a great deal of merit. The county is the geographic area which is very attractive. One of the most appealing features of a county is that it has greater scope to deal with some of the more pressing urban problems, making it more competent. The CED statement on this subject urged a total restructuring internally of county government, the elimination of independently elected officials, the establishment of small policy-making legislative bodies, truly representative in the sense of decent apportionment, and a single executive. As the testimony has indicated here, there are counties in this State with administrative heads. But most of the counties here and elsewhere in the Nation still have independently elected, internally fragmented department heads. So there is a desperate need for proper restructuring of county government.

These anachronistic characteristics are often fixed in state constitutions and, where they are not, state legislatures have been slow in reforming them. There are only about 150 counties in the United States with any kind of chief executive officer.

The point you are making about the present quality and character of county government couldn't be more correct. It is of a low order, and this is generally true throughout the country. But it does represent the prospect and a potential for change that is far superior to that of any other geographic units in the country.

MR. VANDERGRIFF: *I see. Well, thank you very much. My point is that in our state we were trying recently to have some amendments to our constitution proposed within the legislature to grant counties greater powers. You would think they would want to be stronger, but the people who defeated this measure were the county officials themselves. They seemed to be afraid of these greater powers, greater responsibilities, perhaps feared that other men might fill their offices if the counties were entrusted with these responsibilities.*

MR. STEADMAN: Well, I am not sure how characteristic this is, nationwide. The National Association of Counties has endorsed the

CED policy statement except for its comments about the situation in New England where we said, having abolished counties, they were better off left that way. But the National Association of Counties is very enthusiastic about the recommendations that have been made, including those for a consolidation of counties in rural America from the present 2,700 to about 500. Then they would be large enough and strong enough in resources to employ technical professional personnel. It is true that the courthouses in the United States are not generally beacons of change and improvement in the Nation.

As a matter of fact, I think it is fair to say that officialdom in the United States in local government generally is seldom at the forefront of proposals for change and modernization. They generally seem to feel a great deal more satisfaction with the existing system than the average citizen, especially when you are dealing with the more informed groups in the United States.

MR. VANDERGRIFF: *Thank you very much.*

All of you have referred to the council of governments movement, which, of course, is still fairly young. Mr. Steadman seems to take a fairly dim view of its chances for any real contribution to efficiency in local government. The contrary viewpoint is certainly expressed by our other witnesses, Mr. LeMenager and Mr. Meriam.

I would like an answer to this point: Mr. Meriam, I believe you particularly emphasized the feeling that elected officials should serve in councils of government. (Mr. LeMenager may have referred to this, too.) And yet citizen participation or support seems so very vital to the successful understanding of these movements. How can that be achieved here in California, where the councils of government seemingly have made a real impact upon their area?

MR. MERIAM: I think the answer would be simply this: That because of the strong—that is, relatively strong—citizen participation in local government in California, the men who are thus engaged and who have been participants in these councils are in a sense close to the people, responsive to the people. I think there is, perhaps, a greater sense of stability in representing the people in their discussions and quality decisions having to do with these bodies. In California we have a pretty strong and accepted philosophy of citizen participation, for free, if you please, in local government.

MR. VANDERGRIFF: *We do in our section, too, for that matter. But we are worried sometimes about John Q. Citizen participating in these movements and how it can best be achieved. There is no non-elected official who is participating as a voting member, for example, in your council of governments. This is the case, however, in some councils about the country, as you possibly know.*

MR. MERIAM: I am familiar with that, having been a member of the Association. This is comprised of elected officials from both county and city governments—supervisors and mayors and councilmen. I can't speak for SCAG. Perhaps—

MR. VANDERGRIFF: *Mr. Steadman, do you have a comment on that question?*

MR. STEADMAN: Yes. I didn't mean to indicate a dim view about any effort in any metropolitan area of the United States to obtain greater cooperation, to secure better understanding of the problems, and to deal with them on a community-wide basis to the extent possible. My concern about the councils of governments as a panacea, however, is that there may be a great excess of expectations at that point. I can state my view of the councils of government very simply. At best they are palliative. Palliatives are good. At worst they are a sedative. Sedatives are usually bad.

MR. VANDERGRIFF: *Well, that is a pretty positive statement. I have a thousand other questions I would like to ask, but I must defer to the other members of the panel. I can only say that we did have one witness, our first, who said that metropolitan government is the ultimate solution. Most of the students of government believe this to be the case, but this is probably 50 years away, and we can't wait 50 years to achieve a better way of life in our metropolitan areas. It is the right direction.*

MR. EHRENKRANTZ: Mr. Johnson.

Lack of Local Revenue

MR. JOHNSON: *Thank you. I would like to say, Mr. Meriam, that my observations as a member of this Commission, and my own personal experience, tend to run counter to your basic thesis. It may be true that local governments are responsible bodies competent to discharge their own functions, but it isn't always true they have enough money to do that, and it isn't true that they appear to be discharging all their responsibilities with respect to, let's say, planning efforts and poor people.*

I would like to cite this one example. I would like you gentlemen to comment, if you would care to. I am involved, in a township with a population of 40,000 people, with the planning board. The planning staff of this township—which is growing very rapidly—is one person just out of school. The township completely surrounds a city of a similar population that has very little growth at the moment and that has a planning staff of five competent people. The county has perhaps the most competent and most heavily funded planning department of all, and yet it has no legal planning responsibility in terms of zoning efforts. All of these bodies are very much concerned about planning efforts, but clearly the money is in the wrong places. No one can see at the present time any way out except help from some other body, perhaps further up the line. Would you comment on this kind of situation as it touches your own experience and as it affects the situation here in California?

MR. MERIAM: Well, my comment, briefly, would be this: As I think we indicated in our presentation, the financial problem is also present, and it is particularly pressing in our levels of local government—

municipal and county. There are presently very clear limitations on sources of public funds. These have to be spread out rather thinly in many communities. I think that local government leadership most certainly must direct its attention with greater effort to locating, if at all possible, or seeking or finding or developing sources of revenue, so the very vital functions such as planning that are so important with growth can be adequately done. I would agree that it is wrong in a community of 40,000, as you suggested, to have such a minimal staff on the important function of planning. I think we need to recognize more clearly possibly than we do—those of us who are engaged in local government policy making—the imperative need of adequate financing for competent personnel to provide these functions that are vitally important for the welfare of all.

In California I would say we are trying to do that. Perhaps we are a little more fortunate than some other parts of the Nation.

MR. JOHNSON: *Does either of you—Mr. Steadman or Mr. LeMenager—want to comment?*

MR. STEADMAN: Planning seems very important. The idea of a village of 379 people conducting a planning function with modern techniques and methods doesn't seem sensible to me. I am going to go further. The efforts of a city of 5,000 people to conduct planning in a modern sense within the limits—the very narrow geographic limits—of the jurisdiction don't seem sensible to me. I think local planning is extremely important. I think it should be done by modernized and revitalized county governments.

MR. BAKER: *Mr. Steadman, in New Orleans, in July of 1966, when Mr. Folsom revealed the CED report from which you quoted, there were, as you know, mixed reactions to it. I concur that there are too many agencies or entities of local government. The report is a substantial one and most informative. But one very prominent factor was absent. As I recall, there are nationally some 90,000 single entities of government and some 5,800 in the State of California alone. They are responsible to the electorate, to the voting processes. Many of these districts, these entities, are obligated to indebtedness. Some of these organizations have been serving a purpose in our counties since 1889, and are still serving a purpose. Various districts are set by the Legislature, responsible to the electorate, and I suspect this may be the case throughout the United States. So my question is: Through what process would you recommend the dissolution of these various districts?*

MR. STEADMAN: Well, there are two or three different ways of going about it, of course. One of them is a gradualistic approach of discouragement of the creation of new special districts. This is done in various ways in various parts of the country. Another one is a gradual shifting of functions, one by one, from smaller units to somewhat more substantial, more effective units.

MR. BAKER: *Through the legislative process of the state?*

MR. STEADMAN: Yes, through changing the constitutions, but this is difficult in many states. For instance, counties and local governments

can cooperate through contracts. In many states, as in California, that can only be done when both of the units making the contract have the separate capabilities of conducting the function. This is a serious barrier in many parts of the country to cooperative contractual arrangements. But the really proper way of going about this is the way it is being carried on in Maryland today through a constitutional convention after careful preparatory study. Recommended changes in the constitution will really give their counties authority over the whole system of local government. I don't know whether the people will vote for it or not, but the people of Hawaii and the people of Alaska voted for constitutions under which, in Hawaii, there are 20 units of local government—not 5,800—and in Alaska there are 56 units of local government—not a hundred times that number.

I would disagree with my fellow panelists on the fact that California is at the forefront in the systems of local government in the United States. I do not consider it a model, although I recognize that the council-manager plan has been widely used. There have been many improvements in the forms of city government. But as to the number of local units in the fractionation that exists, and the low quality of administration for your property tax, for instance, I fail to find much to admire.

MR. BAKER: *Mr. Steadman, the State of Hawaii and the State of Alaska are young. They are very new, and they had the opportunity in writing their constitutions to eliminate many of the roadblocks and to overcome or avoid many of the problems which have been created in the other states through natural growth and the evolution of time. I envy them that.*

We have many helpful laws, I believe, in the State of California, such as the Local Agency Formation Commission, which has been, to my way of thinking, one of the greatest steps forward in control of urban sprawl. It is unfortunate that it was not passed two or three years earlier.

I would take issue with your statement that local councils of governments or regional councils of governments are a sedative.

MR. STEADMAN: I said at best they are palliative, sir.

MR. BAKER: *As the president of the Southern California Association of Governments—*

MR. STEADMAN: I said further that if the situation is bad enough palliative is good.

MR. BAKER:—*I would like now to extend you an invitation to speak at the General Assembly on September 29, 1967, in Los Angeles and thereby witness such local councils of governments in action. We have six counties, 90 citizens representing over 9 1/2 million people, and when you can get the representatives and the elected officials of 9 1/2 million people together, that is a major accomplishment. But to get them to agree, that is almost impossible*

MR. STEADMAN: I think that is right. That is the difficulty.

MR. BAKER: *But sometimes they do agree, and they are functioning. May I state an example of one of the solutions that only a regional*

council of government, through a voluntary association, can accomplish? That is solid waste disposal. No single agency can cope with this. It must be on a regional basis. The southern California area alone generates approximately 4 1/2 pounds of trash per person per day. Over a ten-year period, this is sufficient to bury the city of Santa Monica under 20 feet of debris. I don't propose we do this to the City of Santa Monica. What is significant is that this kind of problem can only be resolved through regional cooperation.

My other question is for you, Mr. LeMenager. I understood there is a proposed amendment to the present Local Agency Formation Commission Act that would give commissions the authority for re-orienting the city boundaries. Shoestring annexations have a bad effect when they extend into another city, or when they create islands. The commissions may be obligated to annex these islands to the surrounding city or to deannex those extensions that go into another city's territory. Do you foresee at this time any passing of legislation that would correct the present deficiency?

MR. LEMENAGER: I have to beg ignorance on this. I haven't been following that particular bill and I am not prepared to comment. I think it would be very favorable though.

MR. BAKER: I hope this can be accomplished because this is the last remaining roadblock.

MR. O'NEILL: Mr. LeMenager, you said that one of the objectives of your department is to identify those factors which impede the development of low-cost housing by private developers. Could you enumerate briefly the factors which you have identified to date?

MR. LEMENAGER: Well, you know, I assumed this office only several weeks ago, but I just had a meeting yesterday with some builders down in Southern California. We are conducting informal meetings with developers, attempting to get from them what they feel are the basic impediments to the development of low-cost housing. I have two more meetings scheduled. I don't know that I am prepared to really get into some of the things that came out of it right now, because these were in one section of the State. But one thing very high on my mind that kept coming back in the discussion yesterday was land use, cost of land, attitudes of local government in regard to upgrading of housing requirements. This is being led by the FHA, as a matter of fact. FHA now requires certain things in homes entitled to insurance guarantee backing that put these houses out of the low-cost category. I will give you an example.

At the meeting of builders in Sacramento Wednesday night, one fellow who is quite proud of the development that he is working on told me that he is going to be able to market two-bedroom, one-bathroom homes for \$12,995. He told me that if FHA hadn't required him to put in air conditioning—which was something that amazed me—he could probably knock \$1,000 off that price. As you know, carports, and then garages, become a requirement.

We know there are many people in this country, and especially here in California, who would like to own a home but they can't.

They are making four or five thousand a year. You apply the rule of thumb of two-and-one-half times annual earnings, and try to come up with a home from \$10,000 to \$13,000 or \$14,000. We are having a rough time providing houses at that level with impediments such as these that are being thrown in the way of the homebuilders.

So we are very actively pursuing this question. We are quite concerned with it, and we are going to try to ferret out as many of these impediments as we can and dramatically spotlight them to the people that are in a position to rectify the situation.

Codes and Zoning As Detriments

MR. O'NEILL: *Mr. Meriam, you indicated that the powers to zone, the zoning control by local communities, should be strengthened. You also said that present building codes have not hampered construction of housing.*

I would like to point out that there are communities in the Bay Area that would attract industry to increase their tax base but which have seen fit to zone out poor folks, so that no workers could live in the community if a new factory came into it or within 45 miles of it. It is the experience of this Commission that suburban communities do use zoning to keep poor people out, and Negroes as well. Under the local control of building codes in San Francisco, you have materially added \$300 to \$500 to the cost of a unit of housing because you insist upon knob and tube wiring instead of Romex. In Los Angeles City they do the same thing adding \$300 to \$500 more by insisting upon rigid conduit wiring; while over in Ventura County you can put in Romex.

Now, these are local powers and local discretion. Would you care to comment upon the right of the community to do these things?

MR. MERIAM: Well, I guess I would have just two comments. One I think is that the point we tried to make was builders still build in all communities meeting the building requirements that are in those communities. They don't shy away from a community just because of more rigid building requirements.

MR. O'NEILL: *No. The builders are not the urban problem. The poor people are the urban problem.*

MR. MERIAM: I think the point we have made is that the builders are not bothered this way.

Now, the point that you have on poor people: I would agree with you that from a personal standpoint this is a factor of zoning that must be recognized, and there must be proper zoning so that poor people are not zoned out of an area.

MR. O'NEILL: *Well, I think to accomplish that you have to do something about the local control over these zoning ordinances.*

MR. MERIAM: This could be. It might be that—maybe I am just doing some wishful thinking here—it might be that some building techniques could be developed that could overcome some of this.

MR. O'NEILL: *Mr. LeMenager, California has just completed the*

second phase of a State development plan at a cost of 2 1/2 million dollars. Is there a people element in that plan? Does that plan call for any goal of housing at any particular economic level or does the plan simply deal with pollution and transportation and land use topics? Is there specific reference to provisions for housing?

MR. LEMENAGER: I don't believe there is. But I would like to point out that there is a bill that our department has backed which has gotten out of Assembly committee and looks like it has a very good chance for passing. This is the Foran Bill, which would specifically call for, in the urban plans for 701 grants,¹ a housing element. As I say, we have backed this and it looks like it has a good chance for passing.

MR. O'NEILL: *Well, it strikes me as highly unusual that a State development plan should have no element in it concerning the people.*

MR. LEMENAGER: I agree with you.

MR. O'NEILL: *Do I have time for further questions?*

MR. EHRENKRANTZ: Yes, you do.

MR. O'NEILL: *All right.*

Mr. Meriam, would you enlarge on the differences of a service-oriented economy and a manufacturing economy, and why the former should be centralized locally and why the latter could be bigger and wider?

MR. MERIAM: Only to this extent: Because of mechanization and rather rapid change in our area of service to people, our economy in this country is changing. More and more people are engaged in servicing others—that is, in proportion—and service necessarily is close to where the people are. Far more education and training are now required to gain a livelihood. It is not all farming and manufacturing. More and more, we are providing all sorts of services to fit our standard of living—purely skill services that require education and training of a sort that we did not use to have. Our people are spread throughout the land, and these services are near them.

MR. O'NEILL: *Mr. LeMenager, you indicate that the State Building Standards Commission has the purpose of eliminating complex duplications, and so forth, in building codes, and to progress toward completing the State Building Standards Code by 1970.*

Will there be a mechanism to handle the right of the local jurisdiction to amend the code in any way it sees fit?

MR. LEMENAGER: No. The purpose of this is primarily to clean the house and eliminate overlapping of the State's many different ordinances and codes. No, it doesn't.

MR. O'NEILL: *Is any machinery being developed in the State to*

¹ Originally, in Housing Act of 1954, providing grants to State and local governments to assist in solving problems resulting from increased urbanization; in Housing and Urban Development Act of 1965, Sec. 701 (Title VII) provided Federal grant assistance to local governments for constructing community facilities, including water and sewer facilities, and for acquiring land for their construction.

control the willful amendment of a code to assist either the electrical workers or the plasterers, et cetera?

MR. LEMENAGER: No, I don't believe there is.

MR. O'NEILL: Okay. That is all I have.

MR. EHRENKRANTZ: Thank you. Senator Douglas?

Local Government Reluctance to Join Forces

MR. DOUGLAS: I think we have brought out this morning in a very valuable fashion the conflict of opinion concerning the degree to which we should consolidate the many functions of local government—whether we should move to larger units. I want to thank both Mr. Steadman and Mr. Meriam for presenting two sharply differing points of view upon which the country has got to make a decision.

I would like to raise a series of specific issues growing out of experiences which we have had. To assure Californians here that I am not criticizing them, I may say that every illustration that I am going to use is based on some other state. So have no fear that this is an Easterner coming out to find fault and give you a prescription for your problems.

First, on the pollution of air, we have a very progressive city out on the Mississippi which has a steel mill, and this steel mill emits tremendous quantities of smoke with large iron sulfide content that hurts the health of the people up and down the Mississippi and damages the crops for 20 miles eastward. Now, our Missourians across the river from Illinois do not suffer from this to the same degree because of the prevailing winds from the west due to the motion of the earth, but once in a while winds will change and they will get a whiff of it themselves.

Now, we have tried to get the Illinois city to adopt an anti-smoke ordinance. It is a good city; it always voted for me; so, therefore, it is a good city. (Laughter.) But they will never move on the ordinance. They won't move because they are afraid that if they do so the company will move elsewhere. Now, what will you people say about complete local control? I won't ask you for an answer.

Take the pollution of water. We have another city, in this case across the state line, but it could be inside the state line, which has been dumping raw sewage into a river for many, many years. It is impossible to get them to change. They built a sewer system with the possibility of treatment, but they are careful not to hitch up their sewers with the treatment plant in dumping raw sewage. The people down stream suffer as a result of this, and also get a great deal of industrial pollution from use of detergents and chemical processing. The particular locality won't act because it is afraid if it does so it will subject the industry located within it to a competitive disadvantage, and it will possibly move away.

There is in New Jersey, on the swamplands adjoining the Hudson, a community which has 47 people in it. It has an industrial plant employing several thousand people. It has the lowest taxes in the

State of New Jersey because they have almost no children to educate. The children of the employees live elsewhere. Other communities have to educate them. It has almost no welfare costs, because the watchmen and the rest of the employees do not live there, but there are welfare costs attached to these families, who live elsewhere.

Now, the small community is resisting any effort to consolidate with larger communities because it knows that if it does so its tax rate will go up. In other words, it is a tax haven. Are we going to settle that by voluntary cooperation?

It is the cities that bear the heavy cost of welfare and education resulting from the movement into them of people from poverty-stricken areas of the country—Negroes, Appalachian whites, people from the Southwest, and so on. The poor people do not go out into the suburbs for one reason or another. You don't have as many cases in the suburbs needing welfare subsidy, but this burden is thrown upon the cities with their diminishing sources of tax revenue. Yet the cities and the suburbs and poor people are all members of a metropolitan community. This leads into the general question which Mr. O'Neill raised.

If local governments have power of zoning and other regulations to create an iron band around the metropolitan centers, it makes it extremely difficult—added with the social attitudes of many suburbanites—if not impossible for Negroes and minority groups to come there. They throw back all these problems on to the central city. Now these are illustrations.

I would like to draw this general question: Human nature being what it is, how can you expect localities voluntarily to assume burdens which they now are able to either consciously or unconsciously avoid? Mr. Meriam?

MR. MERIAM: My first comment is that I am glad I live up in the Sacramento Valley in a small community. It is easier that way.

It seems to me that these are excellent points and excellent questions that you have propounded, Senator. It seems to me that maybe our main problem is strengthening the caliber of local government leadership. This may be idealistic, but I think we have to face up to the fact that we must have courage to cope with the problems that affect the lives of all of us, particularly the problems that adversely affect the lives of so many people. The tougher these problems are, the greater should be our effort to provide real solid citizen leadership. Hopefully, local government can aid immensely in doing that.

Again, this may be an idealistic response to those questions you have raised. But those who seek tax havens, who seek special economic situations, must have the understanding of the needs of others and assume their responsibility as citizens to others.

MR. DOUGLAS: Suppose they don't?

MR. MERIAM: Then I guess the people in some manner must take the authority to force them.

MR. DOUGLAS: Yes, Mr. Steadman?

MR. STEADMAN: It seems right to have good people. I couldn't

agree with you more on the importance of drawing attention to, and getting the leadership of, good people. But I come back to the point about the mechanism. What good is it to have leadership if there isn't any mechanism effective and adequate for them to work within? It is like working to get the best possible driver for an automobile. You finally get a highly trained and competent driver, but then you give him a Model-T and say, "Get out on the free-ways." I think he needs a vehicle that is consistent with the conditions of modern life before you can expect a leader, important as he is, to function in any way that we would hope and expect.

MR. DOUGLAS: *I have only a minute more and I will just make one further comment.*

I think there is growing up in this country a deep hostility on the part of the suburbanites towards the metropolitan centers. Partly this is due to the fact that the suburbanites are more prosperous than city residents, feel superior, have less poverty, and probably have a reflex action to the fact that the cities are increasingly being inhabited by Negroes, Mexican-Americans, and other minority groups, while the outside community is inhabited by people established in the community longer. I regard this as one of the most serious threats to the future of the country. I don't know quite how to overcome it. I find myself inclined more to your solution, Mr. Steadman, than to Mr. Meriam's solution, but I don't quite know how to overcome the problems.

Do you have any suggestions?

MR. STEADMAN: One of the reasons for the emphasis in the CED report on the importance of counties is exactly this. In a metropolitan area like Philadelphia, there would certainly be very strong opposition to metro government for exactly the reasons you have mentioned. But there are a dozen counties in the three states of New Jersey, Pennsylvania and Delaware—each of them with more than 100,000 people, each of them with taxable resources, and each of them with geographic advantages—which might, if they would modernize their county governments and bring them up to date, form a federation of counties to deal with the total metropolitan problems on some basis of agreement for equality. At this point the council of governments would become a key to really effective progress. This is one of the reasons why we emphasize the importance of county governments in metropolitan communities, as well as in rural areas.

MR. WOODBURY: *On that same point, Bob, is it not true that a very large proportion of the metropolitan areas of the country are within one county, that is, the metropolitan areas as defined by the Census Bureau?*

MR. STEADMAN: Over half are within a single county, and a considerable number of others just reach out into another adjacent county to a small degree.

MR. WOODBURY: *But isn't it equally true that a very large propor-*

tion of the metropolitan population of the country, lives in multi-county metropolitan areas?

MR. STEADMAN: Yes, in the big metropolitan areas.

MR. WOODBURY: *That's right, but in terms of the number of people involved, that is a very large proportion. My question is, do you think that the outlook is better in those larger areas if we had a limited number of relatively strong county governments rather than a larger number of local governments performing much the same function?*

In other words, is collaboration—if that is what we are talking about—is collaboration more likely when we have a limited number of rather strong units but still with differences of outlook and differences of interest? Is collaboration more likely in those circumstances than where you have a more fragmented and perhaps more untidy but larger number of units?

MR. STEADMAN: In our opinion it certainly is. There is some chance of an agreement with a limited number—four, six, or twelve strong units—than there is among 1,000, or 100, or 900, as we find in case after case. The computation—

MR. WOODBURY: *Can you cite any examples which would bear that out? It is not clear to me one way or the other.*

MR. STEADMAN: I am afraid we will have to wait for experience on this—until after the scheme is adopted. Progress toward change in these matters is very slow. The rate of change, so far as the economy and the social system under which we live are concerned, is very, very rapid. It is growing more and more rapidly. Local government lags far behind. It isn't changing to keep pace with the changing times.

MR. WOODBURY: *I don't want to ask you to scoop your employers on the new report on state government, but, as you know, there are a number of states now that have offices or departments of urban affairs under various labels and titles.*

Would you care to comment on what has been happening on that front recently, and what you may reasonably expect to be the contribution of these offices or departments to the kinds of problems we are talking about this morning?

MR. STEADMAN: My comment will have to be a personal one.

MR. WOODBURY: *All right.*

MR. STEADMAN: I think we see two distinct and different situations. I think of one state where the community unit—the local government unit—is deeply concerned about ways and means of curing the defects in the system of local government in its state. It is working with the local officials in an effort to get agreement on steps toward change with some success.

I think of another state where this bureau or unit in charge of local government seems to concern itself chiefly with being a lobbying center for the officials of the small local units in the state. It acts as an agent of those officials in representing their special viewpoints to the legislature. If a state department of local affairs is no more than

a lobbying unit, I should think the state conference of mayors, or the association of village officials, or what-not, might serve better, more honestly, and at less expense to the taxpayers in that connection. So my feeling is both yes and no. If you want a local unit concerned with real examination of the issues and a search for ways and means of finding solutions, it is obviously a splendid thing. But if it serves no other purpose than to preserve the status quo, I think I have already indicated my discontent with that.

MR. WOODBURY: *I have had a hunch that one of the reasons we have had so little success in any rationalization of local government structure in metropolitan areas is traceable directly to the way we have gone at it. It has been on an ad hoc, hit-or-miss basis, whether the agency promoting it is more or less a private group or an official or quasi-official commission. This raises the question as to whether or not a state agency with continuing responsibility, continuing power, couldn't build a case for some intelligent reorganization of local government structure more effectively. It wouldn't be done tomorrow or next month or maybe next year, but it seems to me it is one of the things that perhaps requires time. It requires a persistent effort of education and analysis, rather than these ad hoc reports, plus the publicity campaigns.*

Just one other quick question: You said something about 50,000 being more or less the minimum population for an effective local government. I take it that this is simply a judgment on your part? If there is a more factual or analytical basis to it, please tell me. And do you set any top limit?

MR. STEADMAN: No, we didn't set any top limit. We did have a page in that report expressing concern about giantism and the need for neighborhood institutions to encourage citizen participation.

It is our feeling that vast size creates great problems in this respect. When we used the figure of 50,000, it was a judgment, but it was, I think a somewhat informed judgment. We had a very distinguished group of advisors with us, and we had some studies made in the field of police, in the field of social welfare, and in the field of assessment of real property. The conclusions by the various distinguished authorities in each of these fields, happened to coincide on the point that it took about 50,000 people.

If you want a professional police force at all with 24-hour service, a communications system, and the minimum degree of modern technology, you can't have it with less than a 50-man force. That is about what you have, one person per thousand on the police force. If you go over into social welfare administration with any intention of modern techniques in casework and of a professional staff, that is about what it takes. If you want to have a city manager who is really competent and pay him a salary comparable with what he could get in the junior grade of the executive branch in private industry, you can't afford to have him with a tiny unit. We think it takes 50,000 people to hire a manager and pay him at a decent modern level of compensation.

As far as the assessment system is concerned—I am taking too much time, but may I make one point?

MR. WOODBURY: *Surely.*

MR. STEADMAN: The insistence upon getting Federal aid—because the Federal government has an effective device in the income tax—is, from my point of view, used often as a red herring to conceal the fact that local government in the United States does not efficiently, economically, and equitably apply its major source of revenue.

If the Federal government were as careless and inconsistent in the collection of its income tax under the terms of the law as the local units of government are, we would have people living side by side, and one paying at a rate two or three times as much as the other to the Federal Government. Instead of insisting on getting help from the Federal Government—which has an efficient, well-administered system of taxation—it seems to me that we should have units of local government capable of and desiring to make their own tax collection systems sound, competent, and effective.

Application of Regional Planning

MR. WOODBURY: *Well, Mr. LeMenager, on page 11 of your statement, you referred to the encouragement of formation of 11 regional planning units in the State. Are they actually in operation? Have they actually been formed?*

MR. LEMENAGER: No, I understand they have not.

MR. WOODBURY: *I see. Well, the point I am trying to get at is that later you make the statement that zoning codes and similar regulations, police measures, are typically in local government. The implication was that this was right and proper, and Mr. Meriam, of course, made his plea for keeping local zoning powers in the smaller units as well. What strikes me is that this is not peculiar at all to California. We are getting regional planning organizations all over this country—in metropolitan areas particularly, and in some other types of areas—and as a student of this matter I am convinced that they are improving the quality of their work and the insight that goes into it. But just by definition, a regional plan is hooked to some projection of distribution of population. Everything that you have put into it—the transportation system, the recreation system, the school facility system—everything that is distributed over the face of the metropolitan area is there primarily to serve people in some sense and, therefore, contingent upon the distribution of the types of people in various areas in the future.*

Okay. This is simple enough doctrine. But then you turn the control of land use over to the lesser units, which are under no legal responsibility to pay any attention to the regional plan and, in many cases, not under any moral obligation to recognize or pay any attention to it. From one point of view the whole thing is silly.

Would anyone like to try and comment on that? I didn't mean to make a speech, but as you can see, this is something I feel very deeply

about. I think it goes to the base of many of our questions of sprawl and congestion and low-income families and low-income housing and school facilities and everything else that we are now concerned about.

MR. MERIAM: I think surely there has to be an understanding of the need of regional planning, and obviously when a region has economic and cultural and social communication and understanding and enlightenment, these factors are part of the planning. However, I would feel that when there are local government entities within that region, they must be assured of their proper voice in the process of regional planning. Then I think the responsibility will be theirs to implement what they have to implement because of their authority within their own local government entity.

MR. WOODBURY: *Well, I think they ought to be a part of the regional planning process, but I don't see the case of giving them what amounts to a veto power over it.*

MR. LEMENAGER: I wouldn't argue with you on that.

MR. WOODBURY: Okay.

MR. EHRENKRANTZ: Mrs. Smith?

MRS. SMITH: *I know it is getting late. I will ask one question. I am not a theoretician of government, but I am curious about one of your more obvious and very broad programs—freeways. These freeways seem to sort of control the will of the people, or what-have-you, and have caused so much major destruction within communities and cities that one of these days you are going to have to fix up the massive cost of that. I don't think there is any denying that there are really terrific problems here—air pollution, loss of land, loss of residential areas—let alone destruction of the geography. Where does the power of decision lie in the State of California? Does the State Highway Department say a freeway goes there? What is the control in the county and city region?*

MR. MERIAM: You have touched on one of the great arguments that prevails in this State and has for a long time; that is, the power and authority of the State Highway Commission which today has virtually all the power and control on where the freeways go and how they are to be constructed.

There could be days and days of arguments on both sides of this question in California, and certainly I am one of those who believe that there must be real attention given by the State to some of the values other than pure engineering determinations, such as the astromonic values with respect to the location of freeways and the effect of the type of structure that they make. This is a real tough question, and as the years go along I am certain that there is going to be a lot of looking back with concern to some of the things we have done, but in California the authority is virtually entirely with the State Highway Commission.

I think it is on the theory that the road running all the length of the State is in the State's interest and, therefore, only one agency is given control.

MRS. SMITH: *Thank you.*

MR. DEGROVE: *The range of the testimony here, the range of views, is certainly rather dramatic—all the way, I take it, from a rather remarkable comfort with the status quo that the last two speakers seemed to evidence, to a sharp discomfort with the status quo that Mr. Steadman articulated.*

Mr. Meriam, within this framework, let me ask this question: *It seems to me that your approval of LAFCO and its method to slow down and prevent formation of new units perhaps carries this implication that anything that has been formed previously is good and after this, though, we ought to stop; kind of a defense here specifically of the status quo in terms of existing units of government. We have got enough, but not too much now, but let's don't have very many more.*

MR. MERIMAN: *No, I personally would not agree with that. I think there can be some improvements made in existing districts and boundaries and potential consolidations, or even the reverse. Perhaps the development of the principle of the LAFCO will lead to this. I hope so. I would not be one who would say that, well, because we have done that and it has been accomplished, therefore that is fine. If we can improve it, we should.*

Rationalize Metro Patterns through States?

MR. DEGROVE: *Well, I think that is a very reasonable response, and I must say that your responses to the questions from the panel have impressed me a good deal more than the position you laid out in your testimony. I am not asking you to rewrite your paper. But I mean it—I think your responses have been quite reasonable and seem to recognize these problems and maybe I misinterpreted the paper.*

Turning to Mr. Steadman, for the past five or six years, Mr. Steadman, I guess I've spent almost all of my time as a student of government assessing the attitudes toward rationalizing governmental patterns in metropolitan areas, trying to understand the attitudes of governmental officials and individual citizens. Of course, most don't care one way or the other. They don't turn out to vote on consolidation elections in any numbers; maybe a quarter of the eligibles do. I must say that there is a note of realism in the CED study which seems to me to say, quite candidly, if you wait for a voluntary restructuring by local government units it will never happen, so you look to the state really as the key.

Now, that pleases me because in a very particular sense I am a state's righter. I think states need to assume their responsibilities. But again, I just served on an advisory group to a state constitutional revision commission, and we had a very difficult time getting anything like what we considered a reasonable input into the local government article along the lines you suggest. Anything like a state boundary commission could almost cause the state to fall beneath the waves of the Atlantic! What I want to ask you is, as you look at

this thing from the state level—and you mentioned Maryland and Alaska and Hawaii—do you see any significant progress toward states' assuming their responsibilities in this area?

MR. STEADMAN: I can't be too enthusiastic about past experience. I think there are signs of considerable interest. I didn't mention Virginia, my home state. The Virginia Association of Counties has just petitioned the Governor and the Legislature to consider the consolidation of small counties and to modernize the structure of county government. In Pennsylvania, in Florida, in Minnesota, in North Dakota, and in many parts of the country, there is a stirring of interest and concern.

I would like to return, if I may, to your original point as to where the responsibility lies. There can't be any question about this. It is a state responsibility. The state creates, empowers, and authorizes every unit of local government. It may dissolve or consolidate as it sees fit. This is a state responsibility, and obviously it should be. When you ask two local communities to agree on a boundary between them, you are asking the interested parties, and it is about as bad as asking the state legislature to reapportion itself on fair and logical lines. That hasn't worked very well in most states of the Union because legislators are the parties at interest. The question is how to get a view broad enough, objective enough and sufficiently concerned with the public welfare—the overall public interest—to design a scheme and a device that will work.

Now on occasion in human history this kind of thing has happened. I mentioned in my comments earlier the experience of 1787, when the impossible occurred, and there was a change in mechanism, and most of us have been glad ever since that it did occur. Now it can occur again, but it won't occur easily. When you hold your Commission hearings, most of those who appear before you are the duly authorized representatives of every vested interest related to the status quo in local government. They dominate every such hearing. I believe you should ask some disinterested and fairly well-informed citizens to come in and talk with your Commission, and I think you will get an entirely different impression.

I have talked with, I think 40 different groups within the last year since our policy statement came out. I have not found one single one where there wasn't overwhelming—in most cases unanimous—agreement on the need for change and improvement in the American system of local government. There are many differences from state to state, but this is not one of them. Everywhere, regardless of the nature of the immediate situation, there is an agreement in informed circles in the United States that there is a real need for modernization and improvement in our system of local government. It is only among the officials that you find this defensive satisfaction with conditions as they are.

MR. DEGROVE: *I have to say, Mr. Steadman, that I think that is only a partial view of the problem. Those officials do oppose it, but the man who comes out and votes in a referendum typically opposes*

it too. You may argue the issue isn't presented right or the voters didn't get it right. We just had a vote in Tampa on consolidation—I thought it an excellent plan. It went down. This is typical. We have a tough problem there. I think the state is where we have to look, and we may be looking in vain. I don't know.

I have used up my time.

MR. EHRENKRANTZ: Thank you. I would like to ask a few questions myself.

I too have been impressed by the different shades of opinion represented on the panel. I would like to refer to one particular sentence of Mr. Meriam's: "Definitive progress cannot be made as our nation moves from a manufacturing-oriented to a service-oriented economy unless local self-government is strengthened, not weakened."

If I may observe, the things I see are increases in productivity in manufacturing, so that perhaps in the automated line the productivity of the single individual may be increased by 15 to 20 times. The people who work in the factory recognize and understand this, and their wages reflect this understanding. Perhaps the wages go up at a rate of 4 or 5 percent a year. Someone teaching school today may handle 30 students, as was the case 40 years ago. The productivity by the same measure does not increase. But yet the wages rise, perhaps 2 percent a year. As a result of this, in a service-oriented economy, it appears that the costs and discrepancies between communities increase, and will continue to increase. Does this not lead to tremendous competition for revenue on the part of local communities?

MR. MERIAM: I don't think I have an answer for that. It could well lead to a discrepancy.

MR. EHRENKRANTZ: *If it leads to an increase in competition to attract tax revenue-producing industries to come in, with some of the problems that Senator Douglas has referred to as a result of this competition, we understand what happens in terms of industry when a firm cannot meet the competition and goes bankrupt. There is usually a cut in price and there is a reasonable market for second-hand manufacturing facilities. But the thing that really concerns me is that there is no market for a bankrupt community, or bankrupt people, and I think it is this problem that we really have to address ourselves to. Any comments?*

MR. STEADMAN: I am not sure that this is a direct answer. Much of the quality and level of the governmental services provided in our system depend on the competence and ability of the local governments providing them. If we are going to try to provide facilities associated with services at the local level—hospitals and health, for example—we have to have governments able to provide them. The same is true of education, and not just basic schooling. Education includes all the many new extremely important extensions and developments of the educational system—our cultural and recreational institutions and all the rest. It seems to me that the present system of fractionated and divided local governments in the United States is

a serious barrier to the expansion and development of the whole service field of American life.

MR. EHRENKRANTZ: *I would like to change the subject. One statement made this morning, that I should have been aware of, struck me with great surprise. The statement was that we are currently building at a rate of one new house per year for every 60 families. Our average expectation is that the houses that we are building today will be useful or serve a useful life for an average of 60 years. But if we take a look at the way in which a house constructed in 1907 functions today, I think we may have some concern. As we begin to talk about the standards for new construction, and wonder how we can reduce FHA or other requirements, I think it extremely important that we begin to consider buildings on a life cost for a period of 60 years, and then wonder as to the way in which we might approach the problem of providing housing.*

I won't ask for comments unless you have something.

MR. MERIAM: One brief comment. The ratio of one in 60 is what has prevailed. I think you will find that the record shows that the increase of new housing is on the rise. In other words, I don't think you can logically project that this same rate will prevail on a level basis for the next 60 years. It may be that in another 20 years your replacement of old housing will be substantially greater. I think it will have to be.

MR. EHRENKRANTZ: *I would hope so, but I am reminded of the problems we have come through, first, with shortages of elementary schools, then secondary schools, colleges and universities in recent years, and I suspect we may be facing the problem in the housing field in the next couple of years as well.*

MR. MERIAM: I made reference to this, and my concern for safety standards, durability of the shell, and the building itself. But the point I would like to emphasize is that we are losing sight of the fact that the average person of low income cannot qualify to buy a home today when we require amenities such as air conditioning and other things. We want to get these people good, sound homes that will last 50 or 60 years, and our codes provide for that. But the idea of trying to give them a Cadillac and force a Cadillac down their throats when a Chevrolet is all they need is wrong thinking. This will continue to defeat our efforts to provide low-income people with decent new homes.

MR. STEADMAN: If the idea of one new house per year for every 60 families is shocking, may I offer you a thing that is much more shocking to me? We have almost 33 years left in this century. At the present rate of construction, overall, more will be built in the United States in the way of public and private structures of all kinds than has been put in place since Columbus or Leif Ericsson landed. But if the rate of construction increases as it has for the last 15 years, the new construction that will go into place in the next 33 years will double all that has been put in place since Columbus landed. The reason we are so deeply concerned that strong and effective

local government should exist in the United States, is that there ought to be some community design or plan for that expansion, construction, and development, for the use of our human resources over the next 33 years; so that we might start the 21st century looking a little better than we do today.

Could I offer one last point, sir? I will send copies of the CED policy statement, "Modernizing Local Government" to each member of the Commission. For anyone in the audience, if they will give me their names and addresses I will send one to each of them on a complimentary basis. If you don't care to do that, you may write to me at 1000 Connecticut Avenue, Washington, D.C., and I will send a copy.

MR. EHRENKRANTZ: I believe Mr. Baker wanted to ask some questions.

MR. BAKER: *In the interest of time I will defer.*

MR. EHRENKRANTZ: In that case I would like to thank you for your fine presentation and answers to the questions.

At this time we will throw the session open to the floor to others who wish to address the Commission.

PUBLIC WITNESSES

Mrs. Bull: League of Women Voters Position

MRS. ROBERT G. BULL: I am Mrs. Robert Bull, President of the San Francisco League of Women Voters, an organization of citizens that cares very much, by the way.

The rapid growth of the Bay Area after World War II posed problems which appeared beyond solution by local government, beyond their individual financial and administrative power to control, or beyond their ability to provide the necessary services. To meet these regional problems—water and air pollution, traffic congestion, and other public services—governmental action had been principally in the form of annexation, administrative agreements, and special purpose districts created by State enabling acts to meet special needs.

In order to inform themselves, Leagues around the Bay Area initiated their first joint study in 1959. This was a study of Bay Area problems and their possible governmental solutions. Since 1961 the Leagues of Women Voters of the Bay Area have been in agreement that:

1. There is a need for a regional approach to government in the Bay Area for solutions of those problems which are areawide in character (air and water pollution, transportation, recreation, parks and open spaces).

2. Regional planning is fundamental to the orderly development of the Bay Area.

This position on regional planning was reaffirmed by the findings in our 1963-64 study of land use in the Bay Area, with focus on parks, open space and shorelines. At the end of that study, a clear

consensus emerged in support of a regional planning approach to parks and open space. At the same time, it became apparent that both regional planning and improved programs for acquiring parks and preserving open space for a rapidly expanding population were dependent upon many and varied arms of government. We also came to the conclusion in 1965 that "a multi-functional mechanism should be established by law to coordinate the solution of regional problems in the San Francisco Bay Area." Regional government has been our continuing concern in the intervening time.

Our total position on the regional level is as follows: The Leagues of Women Voters of the Bay Area support:

1. Regional planning as a basis for all area-wide activities.
2. A moratorium on Bay fill until a regional plan is achieved.
3. Measures intended to insure adequate parks and open space.
4. Effective air pollution control.
5. Improvement of area wide transportation facilities.
6. Government participation in advisory agencies established for discussion of Bay Area problems.
7. The development of a regional multi-functional government which (a) includes directly elected representatives and representatives appointed by cities and counties; (b) is soundly financed, making use of Federal, state or local funds; and (c) has necessary communication with appropriate agencies of government.

The Leagues of Women Voters of the Bay Area apply the following criteria to regional government proposals:

1. Sound financing—making use of Federal, state and local sources.
2. A governing board composed of all directly elected representatives, or a combination of directly elected and appointed representatives.
3. Equitable representation.
4. Workable relationships with other levels of government.
5. Clearly defined powers, limitations, and functions without unnecessary duplication.
6. The ability to alter boundaries and function as conditions change.
7. The capacity to merge with other governments for improved operation.
8. Full recognition that authority should reside with the practical level of government closest to the people.

On the basis of these positions, we have spoken at both the regional level and the local level against piecemeal approaches to regional problems, and for broad, areawide planning to meet area-wide needs. We have acted for improvement of areawide transportation facilities, including passage of the bond act which created the Bay Area Rapid Transit District. We have supported expansion of air pollution control measures through an increase in the tax rate to provide for additional personnel. Most recently, on January 28 of this year, we sponsored, together with the Urban Life Institute of the University of San Francisco, an all-day conference on regional

government. The purpose was "to acknowledge the factors leading the Bay Area toward unified limited-function regional government; to identify the negative factors; and to stimulate widespread citizen participation in the decision-making process."

From our studies, from our observers at various regional agencies, and from our activities to realize our positions on all levels of government, we have become intensely aware of the obstacles to a unified regional governmental solution. The League of Women Voters of San Francisco has explored enough to believe that intergovernmental relations are one of the most serious problems of our time and that concerted efforts of commissions such as this, and indeed of all citizens, are required to meet this expanding problem.

Thank you for providing us an opportunity to make a statement before this distinguished Commission.

MR. EHRENKRANTZ: Thank you very much. Could you give your name?

Mr. Cook: 100 New Cities

MR. COOK: My name is Daniel W. Cook.¹ I would like to present to the Commission some studies I have made in the past concerning urban problems.

America is an urban civilization, and more than 70 percent of our people now live in metropolitan areas. Projections of our future urban population growth indicate that by the year 2000 A.D., about 90 percent of our 350 to 400 million people will be living within our existing metropolitan regions.

The problem of unabated metropolitan growth has been described by the United Nations World Health Organization as the "second most important problem facing mankind—after the question of peace." In the United States, our presently overgrown metropolitan areas are characterized by slums and poverty within the older central city, "slurban" sprawl as new "ticki-tacki" subdivisions scatter across former open lands, monumental traffic jams, and the poisoning of the air we breath and the water we drink. The state of our present urban civilization could best be described by the term "messalopolis."

Urbanization consumes about a million acres of open land each year. The pattern of regional urbanization now emerging has been called megalopolis by Jean Gottman in his monumental study of the northeastern United States. Unfortunately, many planners and policy-makers appear to believe that not only is this pattern or urbanization inevitable, but desirable—and therefore we must plan for it, and codify it in officially adopted regional plans.

I assert that something better than this is possible for the future generations of America. We don't have to accept this fate as something inevitable. Neither should we consciously plan for it. Nor

¹ Urban development consultant, San Ramon, California. Author, "The New Urban Frontier: New Metropolises for America" (1964).

should we delude ourselves by thinking that the answers to our present and future urban messes will be provided by the magic of metropolitan planning, massive urban renewal, or even satellite new towns. What is needed is a new course to be charted for building a new kind of urban civilization which will fulfill the essence of the American dream.

An alternative to the predicted spread of megalopolis could be enactment of a National Urban Policy favoring the development of planned new metropolises. The objective of such a policy would be to encourage a substantial portion of our growth away from present metropolitan regions to wholly new central cities.

During the next half-century, at least 100 new metro cities could be built in diverse locations throughout the United States. They could be developed upon both surplus Federal public domain lands and marginal, nonproductive private lands in the West, the Plains States, the East, and the South.

With a projected population increase of 150 to 200 million people during the next 50 years, a minimum of 100 million people could be housed in these new cities if they averaged a million citizens each. This would still allow for substantial growth additions to our present metropolitan regions and viable smaller towns—which local chambers of commerce and urban planners are likely to desire.

Within the 11 continental Western States, we have a vast resource of land—land for living, as well as for open space, recreation, wildlife, animal production, minerals, watershed, and timber. The United States Bureau of Land Management, part of the Department of Interior, administers about 178 million acres of land in these states. With the pressure of urbanization so demanding, it would seem rational that some of these public domain lands should be designated—in appropriate locations—for use as sites for wholly new metropolises. Parcels of about 100,000 acres each could be set aside as new urban growth and development areas.

If we are to prevent and change the trends towards the ever-increasing march of megalopolis, then these lands of the public domain can provide the answer.

The investment cost for building wholly new metropolises versus continued metropolitan growth trends and/or massive urban renewal deserves close examination. For example, an article in *Fortune Magazine* in September, 1966, estimated that it would require between \$2 trillion and \$3 trillion in private and public investment to house the additional 140 million urban Americans expected by the year 2000, and to provide them with roads, schools and places to work. This cost estimate is based upon a continuation of present trends of metropolitan growth and the current pattern of urbanization.

Massive redevelopment of our present major cities to a significant degree would be an even more expensive process. The National Planning Association, in a recent study entitled "The Scope and Financing of Urban Renewal and Development," estimates that to

completely rebuild our existing major cities to a minimum standard of amenity would cost \$2.6 trillion over a 20-year time span.

Another possibility that could be utilized would be to enact what I call an Urban Homestead Land Grant Act based upon the historic precedent of the 1862 Homestead Act. Only in this case, instead of granting 160-acre farm stands, the city could be planned in advance with a maximum size—say, 2 million citizens. The lands could be granted free under certain restrictions to individual citizens who would desire to come and pioneer in the process. Similarly the 1862 Act was used to settle the western part of the United States during the last century. In essence, we would have a land grant system and a new location for a new city.

Each new city would be preplanned for various land uses, community facilities, and transportation routes. This would provide many economies in the urban development process.

Finally, special urban development corporations would have the primary responsibility for actually building each project city.

For example, a new type of corporation similarly financed to, say, COMSAT (Communication Satellite Corporation) could be chartered by the Federal government or state government and jointly financed by the consortium of large companies and local government and individual citizens to go in and actually build the new cities. These types of techniques, I believe, will provide the investment necessary to totally build a single new demonstration city for a million people, which would amount to about \$10 billion. This is roughly about five months of the cost of the Vietnam war. For 100 planned new cities of this same average size, accommodating more than 100 million people, the total investment would be about one trillion dollars, which is roughly about half of the total investment in urban renewal now existing.

MR. EHRENKRANTZ: Thank you.

Give your name and affiliation, please.

Mr. Beauchamp: Neighborhood Effort

MR. BEAUCHAMP: My name is John Beauchamp. I am with VISTA (Volunteers in Service to America) assigned to Neighborhood House, West Oakland.

The House serves the west end area of Oakland. There are about 7,000 people in this small segment cut off by freeway, railroad, and water. The city government has substantially forgotten the area, in that the city streets, curbs, gutters, sewers, have never been installed. Water floods the streets in the wintertime.

The city plan includes this area. However, there has been no citizen participation from this area. There's little confidence in the Redevelopment Agency in Oakland due to past experiences right next to this west end area. There are a number of acres which have been vacant for about seven years now. People have to go by this every day, and they see what Redevelopment has done. How-

ever, this organization has gone ahead in spite of all these problems, and has sought out the professional assistance of the University of California Design and Planning Center, which has offices here in San Francisco, and is planning to have an office in Oakland headed by Ken Simmons.

The citizens there are concerned about what they can do. They know there are lots of problems regarding city government, and they want to know what they can do. They have the professional assistance, and possible redevelopment money, with model cities planned, and this is basically their continued question: What can they do to perhaps provide some input to redevelopment planning for our urban areas?

The organization has built a nursery school in this area, the first new building since 1950. It is funded partially by the city, and also they have a mortgage which they are paying off by selling dinners each month. I think this nursery school is an indication of their interest in wanting to create some sort of change in this area, and it would be most helpful if there was some way that they could participate.

Thank you very much.

MR. EHRENKRANTZ: Thank you.

We have one announcement to make. Speaker Unruh unfortunately, I believe, is in a voting session at the State capital. However, he will be here, or will try to be here, at 2 o'clock. As a consequence, Mr. Victor Jones, originally scheduled for that time, has kindly consented to talk at lunch.

I think it is important we leave so we can be back at 2 o'clock when the Speaker expects to be here.

(Adjournment.)

*Rocca's Restaurant
San Francisco, California
Noon, July 7, 1967*

MR. EHRENKRANTZ: It is my honor to introduce a colleague, Dr. Victor Jones, Professor of Political Science at the University of California at Berkeley. Except for an interval at Connecticut Wesleyan, Professor Jones has been associated with the University of California almost entirely throughout his career, but has lectured widely and has participated in many special studies. During his present sabbatical year, for example, he is carrying out an extensive project for the Washington Center for Metropolitan Studies.

Dr. Jones.

STATEMENT BY DR. VICTOR JONES

MR. JONES: I am very happy that there was no lectern available because this makeshift thing illustrates the theme of the talk I will give you.

I want to thank the National Commission on Urban Problems for inviting me to participate in the discussion of national urban problems which you are holding in the San Francisco Bay Area. It is especially appropriate that you have selected the Bay Area as the place to consider the topic: Governmental Structure and Relationships in Major Urban Areas.

We are now engaged in an extended constitutional debate over how the 4½ million people (soon to be 7 million or more) living on 7,000 square miles around San Francisco Bay, are to govern themselves. In the past few years the people of the Bay Area, and more importantly their leaders, have come to recognize, however dimly, five "facts of life":

(1) that 4½ million people cannot govern themselves solely through the individual actions of scores of cities and counties;

(2) that local government can no longer restrict its attention to law enforcement, fire fighting, zoning, construction and maintenance of public works, and other physical housekeeping activities;

(3) that the Federal government and (somewhat more hesitantly) the State government have become involved in urban affairs beyond the point of no return;

(4) that as the result of new demands upon local government, and the development of national intergovernmental programs to meet these demands, local government is being restructured. This is occurring incrementally and often without intention, but no less certainly than if it had been done by statute or constitutional amendment;

(5) that metropolitan governments are here in the form of special districts and authorities, and of direct action programs of State and Federal agencies. The likelihood of continued and increased by-passing of city and county governments is now recognized as a greater threat to home-rule than the old bugaboo of a multipurpose but limited metropolitan agency politically responsible and responsive to the region.

Now these facts—these five factual conclusions—I think, although in varying degrees, are generally recognized by most of the elected governmental leaders, the business leaders, and the civic leaders of the Bay Area—and this is an occurrence of the last seven years.

Regional Government in Development

The 1969 session of the California Legislature is now the target date toward which divergent (but to some extent common) interests are shaping their plans for the governance of the Bay Area. Three separate plans for regional controls and development are being prepared by three separate agencies created and largely financed by the State of California:

First, the Bay Area Transportation Study Commission (BATS);

second, the San Francisco Bay Conservation and Development Commission (BCDC); and, third, the Bay-Delta Study of the State Water Quality Control Board.

Each of these agencies is required by legislation to recommend not only a plan, but means of financing and governmental arrangements to carry out the plan. The most likely type of proposed regional agency that one would expect from such ad hoc inquiries is some variant of a special district or authority. This appears less likely in the Bay Area at the present time, despite the fact that we have a large number of special districts and authorities already operating on a regional or subregional basis here. The creation of new regional special districts appears less likely at the present time because of several developments. Let me list these:

1. The elected officials of city and county governments, operating through the Association of Bay Area Governments, have decided that they will oppose the creation of additional special districts and authorities. In fact, ABAG has asked the Legislature to give it authority to deal with regional refuse disposal, regional open space and parks, regional airport needs, and authority to continue comprehensive regional planning. It has served notice that it intends to push for an appropriate role in any regional plan for transportation, the development and conservation of the Bay and its shoreline, and the preservation of the quality of water in the Bay and the Delta. It also has requested that plans be made for the orderly integration of existing special-purpose programs "as may be appropriate over a period of time."

2. Many commissioners and members of the staffs of BATS, BCDC, and Bay Delta Study favor a general-purpose regional agency or are willing to give it full consideration as an alternative to more special districts and authorities.

3. Many leaders of civic and interest groups have endorsed the effort to develop general metropolitan agencies.

4. The League of California Cities and the County Supervisors Association are reconsidering their preferences, expressed several years ago, for special-purpose over multipurpose agencies.

5. The California Intergovernmental Council on Urban Growth (the state counterpart of the U.S. Advisory Commission on Intergovernmental Relations) has strongly supported ABAG and SCAG.

6. The Federal Government has openly encouraged the strengthening of general local governments through Presidential statements, Congressional action (especially important is Title II of the Demonstration Cities and Metropolitan Development Act of 1966), and the recent policies of such agencies as the Department of Housing and Urban Development. The reports and recommendations of the Advisory Commission on Intergovernmental Relations, since 1961, have influenced, encouraged, and supported local officials to develop a multipurpose alternative to special-purpose metropolitan government.

7. Perhaps most important is the decision of leaders in the State

Legislature to take responsibility for reconciling the differences and building upon the common interests of the many official and private groups interested in the governance of the Bay Area. Assemblyman John Knox and the late Senator Eugene McAteer have jointly developed a method of maintaining legislative responsibility while involving a wide range of local and regional interests in the legislative process.

Your visit to the Bay Area comes then at a crucial point in our governmental planning and political institution building. Hopefully, your deliberations will help us in the choices we must make.

I have taken your time, however, to talk about the Bay Area because I believe that the developmental experiences of ABAG during the past seven years supports the still rather tenuous Federal strategy for metropolitan development. ABAG has demonstrated that a voluntary association of elected city and county officials can live through tough decisions on the powers and structure necessary for a regional agency. It is now in a position of organizational strength in its membership, its officers, and its staff to cooperate (that is, to agree and disagree) with other governmental agencies. For example, it is ready and willing to assume gradually over the next few years the heavy responsibilities for regional planning and the subsequent coordination of programming and scheduling of regionally important public works that the administration of the Demonstration Cities and Metropolitan Development Act entails.

It is quite unlikely that ABAG could have held together under such responsibilities a few years ago. Certainly seven years ago there was no general purpose regional agency in the Bay Area. I do not believe that one could have been created at that time either by legislative act or by a regional charter-drafting commission.

I have the same prognosis for the creation of metropolitan governments in the rest of the United States. But there is good reason to hope for, and to expect, the development of some if not all of the 200 regional agencies recognized by HUD under Sec. 204 of the Demonstration Cities and Metropolitan Development Act into viable, regionally controlled organizations, functioning for many purposes other than formal compliance with conditions for receiving Federal grants.

If in the next decade only a dozen regional organizations of locally elected officials are engaged in regionwide social and physical planning and are helping to form the intergovernmental programs that will carry out such plans; if they are efficient and effective administrators of regional policies and of state and Federal programs within their regions; and if they can be trusted by the people to adapt national and state intergovernmental urban programs to regional conditions and desires—then local government will have demonstrated anew its proper role in the American system of government and politics.

I say if only a dozen regional organizations evolve to this stage the result will be worth the effort, because we would then have in the country 12 more such agencies than we now have or are likely to

get by traveling any other road. There is no reason, however, to set our sights so low.

The likely alternative is not city-county consolidation, even though there may be occasional Metropolitan Nashvilles or Metropolitan Dade Counties. The real alternatives are special districts and authorities—even special state-controlled regional planning agencies such as the Tri-State Transportation Study Commission in the New York-New Jersey-Connecticut Region.

An intensive and extensive effort to reduce the number of local governments by at least 80 percent, as proposed by the Committee for Economic Development, can have only one result. The energies, money, and attention of the Nation would be devoted to a decade (if the campaigners persisted that long) of bitter and ineffectual warfare. At the end, local officials and the multitude of local businesses, labor unions, civil rights groups and other interests would be more committed than ever to blocking anything resembling “Terrible Metro.”

In the meantime, to quote the CED statement on Modernizing Local Government, “recent trends toward ‘functional government’ might (I say would) go on indefinitely.” As Assemblyman John T. Knox has said:

Right now the Bay Area’s most pressing need is not an institutional revolution—

I think the use of the term “revolution” is important here. He didn’t say that we do not need institutional changes and developments, but that the

. . . most pressing need is not an institutional revolution, even less the years of rancorous conflict that would precede it. What Bay Area government needs now is commitment to a process, a point of view, a new way of looking at our region. When government starts perceiving the Bay Area the way most people do—as a complexly organized region—then we may be ready for new institutions.

Seven years of working in ABAG has had just this reorienting effect on a large number of elected city and county officials.

To you doubters—and I am sure there are some among you—I will say what the man said to a friend who asked him if he believed in infant baptism. “Believe in it? Hell, I’ve seen it.” Over the past five years I have seen locally elected officials become the most regionally minded people in the Bay Area. Of course, they frequently disagree—there are different ways of handling the region. But they are beginning to both agree and disagree in a regional context.

What joint or collateral strategies can be developed and employed by Federal, state, and local governments to produce an institutionalized set of relationships to govern the American metropolis? From the Federal point of view, the essence of good intergovernmental strategy is to be found in Sections 204 and 205 of the Demonstration Cities and Metropolitan Development Act of 1966.¹ If Congress

¹ Title II—Planned Metropolitan Development, under Sections 204 and 205, provided for the coordination of Federal aids in metropolitan areas and grants to assist in planned metropolitan development. Neither Section was funded.

doesn't see fit to fund 205 then the Federal government is not moving from strength.

The two sections combine a condition precedent to an application for a Federal grant or loan under some 39 programs. This condition is that there be a regional planning review agency in the urban area to comment on the application, and it offers the possibility of a supplementary grant to applicants from urban areas with comprehensive regional planning where the applicant demonstrates assistance in and conformance to comprehensive metropolitan planning.

The "carrot" and the "stick" should be combined. It has been said in Congress that Section 205 should not be funded. Why, it has been asked, should the Federal government pay local governments for being good? Incentive awards certainly can be used and are frequently used as a means of getting people to behave the way you want them to behave. The significant thing is that once they begin behaving in a certain way, this behavior becomes institutionalized if it suits the needs and desires of all parties—local people as well as the state or Federal people.

Local officials understand clearly the logic of combining conditions to be met, and bonuses for meeting them. I would like to take exception to the statement made by the gentleman representing the State of California this morning who said that the Federal government lost status by requiring, under Section 204, that there be regional planning review of applications for Federal aid. This may be true in Stockton, but I don't think it was true in SCAG or ABAG country. Federal agencies may lose status, depending on the way they work with local officials under Section 204. But most local officials that I have talked to, not only in the San Francisco Bay Area, but in certain other parts of the country—Dallas, Fort Worth, Louisville, Cincinnati, Atlanta, Washington, D.C., and Baltimore and Philadelphia—welcome the regional review requirement. They thought this would enable them to do a job for themselves that perhaps they should have done without Federal support, encouragement or requirement, but which they just weren't getting around to doing in time. In none of these places do they expect to be merely administrative handmaidens of the Federal government. They all expect to use the organization that has been set up regionally to do things for themselves on their own initiative. Whether this comes about we will have to wait and see.

The Metropolitan Development Act comes close to requiring the regional agencies to prepare and adopt a capital budget for the region. Priorities under Section 205 will have to be established by HUD, and they may well ask regional agencies to assist them in establishing priorities among programs and among projects within programs. The Act instructs the Secretary of HUD "to obtain and give full consideration to, the comments of the body or bodies (state or local) responsible for comprehensive planning and programming for the metropolitan area," and also requires "programming of capital improvements based on a determination of relative urgency."

So it is significant that the Act contains not only a requirement that there be regional planning, and that applications be put up against these plans and accompanied by comments on their relevancy to regional plans. It also requires regional programming and scheduling of public facilities. Let me quote from the Act here in order to emphasize certain words that I think are important.

The Secretary of HUD before making a 20 percent bonus grant must be satisfied that:

(1) metropolitan-wide comprehensive planning and programming provide an adequate basis for evaluating

(a) the location, financing and scheduling of individual public facility projects (including but not limited to those listed above as requiring regional review) whether or not federally assisted; and

(b) other proposed land development or uses, which . . . because of their size, density, type, or location, have public metropolitan-wide or interjurisdictional signification;

(2) adequate metropolitan-wide institutional or other arrangements exist for coordinating, on the basis of such metropolitan-wide comprehensive planning and programming, local public policies and activities affecting the development of the areas; and

(3) public facility projects and other land development and uses which have major impact on the area, in fact, being carried out in accord with such metropolitan-wide comprehensive planning and programming.

Furthermore, the statutory definition of the term "comprehensive planning" conclusively demonstrates that Congress considers short-term programming and scheduling to be as important as long-range planning. This significant change in the emphasis on implementation of regional plans is made very clear in the Act (Section 208 (5)):

Comprehensive planning includes the following, to the extent directly related to area needs or needs of a unit of general local government:

(a) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities;

(b) programming of capital improvements based on a determination of relative urgency;

(c) long-range fiscal plans for implementing such plans and programs; and

(d) proposed regulatory and administrative measures which aid in achieving coordination of all related plans of the departments or subdivisions of the governments concerned and intergovernmental coordination of related planned activities among the State and local governments concerned.

That is what planning now means, according to an act of Congress.

ABAG and similar regional agencies in other parts of the country may be faced with establishing regional priorities and with programming certain elements of the regional plan long before the long-range plan has been prepared, debated, and adopted as a whole. It is not unusual for organizations to find that they must act before plans and policies are completed. In some ways this is desirable, because the continuous interplay of planning, policy-making, and concrete action should provide a feedback for replanning and the reformulation of policies and programs. This is especially desirable

when local, state, and Federal governments are feeling their way along the uncharted paths of regional planning and regional action.

With this interaction between decision-making and planning, the regional plan is less likely to be merely received, filed and forgotten. However, the more immediate demands of regional programming (whether associated with Federal and state grants-in-aid or not) should not be allowed to drain off the time and attention assigned to the preparation of long-range regional plans.

At the same time, the administrative staff of regional agencies will need to be strengthened to process applications referred to them for regional review, comment, and recommendation; to participate in the formulation of administrative criteria and procedures for reviewing applications for Federal and state grants; to expedite the passage of applications through various state, Federal, and local agencies as required by law and regional policies; and to recommend desirable changes in programming and policy to the governing body of the regional agency.

I assume that the same needs, the same kinds of requirements, will be found in each of the other 200 regional planning agencies recognized by HUD under Sec. 204 of the Act.

Eventually, it may be necessary for an annual and a five-year regional development program to be prepared and revised annually. The preparation and adoption of such a full-fledged regional development program would be premature at this stage of the development of the regional plan, because regional plans, which take several years to prepare, are in most parts of the country in the first two or three weeks of preparation, and only in the Association of Bay Area Governments in the second year of preparation. An important step could be taken, however, by preparing, with state and Federal assistance a composite capital improvement catalogue of public works facilities programmed for the coming year, and planned for the next five years, by each local government and special district in the Bay Area, and of public facilities programmed or planned for the region by state and Federal agencies.

The requirement of an ongoing regional planning process as a condition for Federal aid should be supplemented with similar conditions (accompanied by financial assistance in meeting the conditions) designed to improve other aspects of the governmental process. At the same time, as wide a discretion as possible should be allowed the locality, the region, and the state to decide the substantive mix of public programs that will meet the needs and desires of their respective jurisdictions. Even these "home rule" decisions will have to be tempered by the interest of other wider publics that will continue to be embodied in specific categorical grant programs.

The Muskie Intergovernmental Personnel Act and President Johnson's two bills for training and for intergovernmental personnel standards are examples of performance requirements that should be extended to other basic governmental processes: budgeting and politically responsible decision making.

If grants were conditional upon an adequate planning process, a political decision-making process, a budgetary process, and a process of personnel management, then Federal assistance to state and local governments could safely and profitably take the form of block grants.

State strategy must be designed to assure that it participates in the planning of intergovernmental urban programs, and in their adaptation to needs and desires of the people of the state. The metropolitan strategy of the state government might desirably correspond with the condition and bonus formula of Title II of the Demonstration Cities and Metropolitan Development Act. California has used these devices only sparingly in its relation with local governments—mostly with school districts. The result has been, as Bob Steadman pointed out, a noticeable reduction in the number of such districts.

State governments are doing just about everything, except to assist and guide local governments in meeting metropolitan problems, to get the Federal government to give up direct grants to local governments. State governments should be strengthened, but there is no reason for the Federal government to make their decisions for them about how they are to deal with their own local governments.

We all know that any time any state legislature wants to require local governments to go through a state agency before they file an application with the Federal government they can do so. They don't dare. They don't have the guts to make that requirement, so they are asking Congress to make it for them. This, of course, is behavior common to anyone who would like to have someone else make the tough decisions. Local governments should not allow the states to get away with that.

Above all, it should be recognized by all parties that local governments, if they can organize themselves regionally to play the part, are full partners in the American Federal system. Even if the State of California or any other state requires that grants-in-aid be channeled through the state, conversations and discussions and debates and arguments should be continued directly between Federal and local people. There should be no barriers to communication among local officials, Congressmen, program agencies, the Bureau of the Budget, and the President of the United States.

Intergovernmental Poker

The stakes are high in this three-handed game of intergovernmental poker we are playing, which we will continue to play, and out of which I think is likely to come in the future some meaningful organization of local government in metropolitan areas. But it ought to be realized by local governments that they are not going to be recognized as a full partner without local initiative on the regional level. The Federal and state governments are playing a tight hand in this game.

The first hand in this poker game is held and played by Federal, and the second is held and played by state. The third hand is held by

and played by 745 locals, in the Bay Area. The third hand cannot get a decision to drop, draw, call, or raise before the pot closes. I think what is happening in metropolitan areas in organizations such as ABAG and SCAG and the Northcentral Texas Council of Governments is that local officials decided they had better organize themselves to play that third hand.

Clearly, the outstanding political question of our time is whether local government will wither away or be consigned to the role of an administrative handmaiden to the national government. I do not believe that the people or their leaders in the Bay Area intend for either of these things to occur. Although the decision will have to be made by local governments, action to permit such a decision will have to be shared with the state and Federal governments.

MR. EHRENKRANTZ: It is just 2 o'clock, so I think we will go back to the Federal Building and see if Mr. Unruh will make it in time. I guess he is scheduled to begin just about now. If he is held up, as is possibly quite likely, we will have a chance to engage in a question period there. But before we leave, I would like to introduce the Regional Administrator for HUD, Region 6, Mr. Robert Pitts, and his Deputy here, Mr. Jack Schonborn.

(Adjournment.)

*Federal Building
Civic Center
San Francisco, California
Afternoon, July 7, 1967*

MR. EHRENKRANTZ: This afternoon I have the honor of introducing Mr. Jesse M. Unruh,¹ Speaker of the California State Assembly since 1961. He has been a member of the California Legislature since 1954.

Mr. Unruh.

STATEMENT BY JESSE UNRUH

MR. UNRUH: Thank you very much.

Mr. Chairman, Senator Douglas, esteemed and honorable members of the Commission, I want to apologize first for being late. We have a few small ongoing problems in Sacramento, including a \$650 million deficit in our budget we still have to provide a revenue bill for, so I do apologize but it was unavoidable.

I also am very grateful to you for allowing me to come today. It is very nice of you, and I am particularly happy to be here before such a distinguished man as Senator Douglas who has served his nation so ably for so many years, and I am happy to see he is still serving.

¹ Also, member, Advisory Commission on Intergovernmental Relations; Regent of the University of California; trustee, California State Colleges. Lecturer on governmental affairs.

To begin with, I think this Commission fulfills a crying need by beginning to focus public attention on the problems of our urban areas. If I had to pinpoint a single cause for the perpetuation of the problems of our modern metropolitan complex, it would be the failure of our sense of community and lack of awareness of the problem among our more affluent and, therefore, our more insulated citizens.

State Responsibility in Urban Problem Picture

Today I though I might just offer some criticism of some of the approaches of the past that brought us to what I think is a dangerous level of complacency and cynicism. More specifically, it is my purpose to insist on the special relationship of the state legislatures to the problems in our cities. The recent Federal legislative pattern reveals a lack of confidence in the ability of all state legislatures to respond to the needs of their citizens and, I think, a regrettable tendency to bypass and thereby diminish the creative role of state government.

It seems to me that no one group of politicians has a corner on compassion or brains—neither the Federal politicians nor the state. The main difference is usually in the distance they are from the problem.

In discussing these things, I should make it clear I am not here today to try to shift the blame for past mistakes. That is a game I see no benefit in for anyone. But the power we politicians enjoy is deserved only if we produce answers to the problems we are employed to solve. We are not elected to provide excuses. The job facing every level of government today is to find ways of executing our various responsibilities so the laws we pass and the programs we enact will really work. In California, institutional response to what has been called "city problems" has been restricted and fragmented because the scope of these problems far exceeds the ability of local governmental institutions to respond. Although the problems of the poor are designated "city problems" because they occur in the central or core cities, they have to be recognized as problems of an entire area. It is very difficult to contain Watts inside Watts. In part, I think the limitations on the institutions of local government date back in California to the first two decades of this century—the Lincoln-Roosevelt League and reform pressures under Hiram Johnson.

As part of a general reaction to corrupt political machines, the institutions of local government became almost parliamentary in form. Thus, the general laws of the State of California provide for cities and counties to be governed by city councils or boards of supervisors, composed of part-time elected officials who have both legislative and executive responsibilities. Under these provisions of the general State law, a mayor is simply the presiding officer of a cities and counties to be governed by city councils or boards of supervisors.

The major cities and counties in California are governed under the terms of their own specific charters and have much greater

authority than the smaller cities organized under general State law. City and county charters, however, mirror the underlying attitude of our general State law, which places principal executive authority in the city council and board of supervisors rather than in a strong executive. Most city charters do not even provide for a separately elected mayor. The city charter of the City of Los Angeles, an exception to this generalization, provides for 15 city councilmen to be elected from districts within the city. The mayor is elected separately by a citywide vote but he has few real executive powers. Those powers he has he must share with the city council, and with a vast number of largely independent administrative boards and commissions.

In addition to the fact that there is no strong executive within California's major cities, it must be noted that existing programs aimed at the urban poor are programs over which city officials—either city councils or mayors—have little direct control. San Francisco is somewhat of an exception to this. For example, the list I am now going to read to you.

Welfare is administered by the county. There is no city participation.

Education is administered by school districts. These districts are separately governed and completely independent of city government.

Health, in all but a very few cases, is administered by county health departments which are responsible for insuring that living conditions conform to minimum standards of health. Other aspects of health care are taken care of by Federal, State, and county agencies. There is no city participation.

Employment and retraining programs are handled by the State Department of Employment. Once again, there is no city participation.

Redevelopment and urban renewal programs are administered by autonomous redevelopment agencies over which the city council has no direct control.

Public housing is administered by local housing authorities. Once again such an authority is a quasi-independent agency over which city government has little control.

The point I am trying to make is that California's cities are not now, and never have been, directly responsible for most of the programs which are directed at problems of urban poverty and slum life. It is unrealistic to expect established local institutional patterns, or the values held by the people of different localities which support these patterns, suddenly to change and assume vast new responsibilities.

Rather than castigating an institutional structure 50 years in the making, I believe we should seek the answer to this key question:

What level of government has comprehensive jurisdiction and legal authority enough, and at the same time has sufficient sophistication, detailed information, and responsiveness to coordinate a complete attack upon the problems of urban poverty areas?

One answer obviously is the Federal government. But as I indicated

earlier, I think the past gives us little reason to hope that this solution alone will be effective. It sometimes seems that certain Federal programs never travel outside of Washington, where ideas of metropolitan living and organization germinated at the observation level of the Washington Monument. As a result of this lack of sensitivity to the vast differences among the cities and the institutions in the various states, we find some Federal programs totally inappropriate to the situations in which they were supposed to work. There seems to be a tendency for various agencies to gather many new programs with attractive names, but when the dust settles we all too often find the new programs are too poorly funded to have any impact; or they are so bound up with nationally devised nationwide restrictions as to be virtually inoperative in many sections of the country; or they are unrelated and do not resolve other contradictory policies and programs enacted at earlier times. At best, the new program helps a little, but adds more clutter to the administrative jungle, or the program may raise expectations but produce no results. And at the very worst, the well-intentioned but hastily conceived program may intensify and further complicate the problem.

I think our experience in the field of housing is illustrative. I don't believe our State has anything to boast about when it comes to low-cost housing programs for the poor. We have not taken initiative in this field, and we have let the Federal housing programs determine our courses of action.

I need not review all the familiar criticism of the 30-year-old Federal public housing program. Huge brick containers for the poor stand as monuments to our lack of inspiration and imagination. True, the public housing projects are generally fireproof and rat-proof—Bill Buckley says that it seems to be the standard of dealing with the poor, whether you can get rid of the rats—and the hallways can be readily hosed down. To that extent they represent progress. They bring the ghetto up to minimal standards which are largely irrelevant to the problem. But this vast and expensive program has also had the effect of solidifying the concentration of poor people, minority groups, and multiproblem families, and perpetuating their isolation from the rest of us.

Perhaps this might be the unspoken intent of some people—certainly not the principal authors, I think, but I suppose as this moved along it got some support.

We have finally had some new thinking, and a little action, on the problem of adequately housing the poor, some of it good and some bad. The rent-supplement program is an excellent example of how a good idea can be developed into a narrow, self-defeating program.

The real purpose of the program seems to be new construction. Only certain forms of business enterprise which construct under certain government loan programs are eligible for rent-supplement tenants. This not only ignores the private housing market; it also tends to concentrate the poor in new "projects"—to create new,

privately owned ghettos. It is truly ironic: to get rid of ghettos, we institute public housing, which only creates a new kind of ghetto; and then, in our dissatisfaction with public housing, we create a program which promotes still a different kind of ghetto. We have got to realize somewhere along the line that it is not so much the leaky roof which is the problem; it is the ghetto, the concentration of the outsiders, the misfits of our society.

The leased housing program, Section 23 of the same act which created the rent-supplement program, is much better conceived. Here, existing housing on the private market—anywhere on the private market—can be leased and used by and large as if it were public housing. This kind of program seems to me to strike at the real problem by holding out some hope that will break up the ghetto. In addition to that, interestingly enough, it has the support of the housing industry.

I think we have to stop designing programs which effectively alienate large segments of the people. It is time the people in Beverly Hills understood the problem of Watts firsthand, not simply because they have to pass through there for 30 seconds on a freeway to get to and from the industries that they may happen to operate.

It not only results, as a general rule, in the eventual incapacity of the program, but it also creates rifts in society which harm both the poor and the government which is trying to help them—therefore, all of the people.

I believe that a good deal of the animosity to the War on Poverty stems not from an initial hatred of the poor, but from the structure of government programs. Public housing is a good example of this and the rent-supplement program is another. As the urban analyst, Professor Scott Greer, observed, perhaps a bit sardonically, "At a cost of more than \$3 billion, the Urban Renewal Agency has succeeded in materially reducing the supply of low-cost housing in American cities." Some people refer to urban renewal as Negro removal.

I do not know why some of the new Federal legislation tends to repeat old mistakes. Perhaps the Congress relies too heavily on the various Federal agencies in designing legislation and permits these bureaucracies too much discretion in developing standards and operational procedures.

I say, sometimes a little sardonically, but I think quite truthfully and accurately, when I am making the case for participation by the Legislative Branch of the government in innovating, that I think in many ways the Legislative Branch is better equipped to provide imaginative settlements, if not solutions, because the Executive has a tendency to rely all too much, all too often, on the agencies whose ideas on solving a problem are simply to do a little bit more of what hasn't worked already.

The new Model Cities program seemed to offer some hope toward a meaningful approach to urban problems. I use the past tense because, as you know, that program's budget was slashed recently by 64

percent. In that opening shot of what was thought to be a revolution, it has fizzled into a rather unconvincing pop. However, the philosophy of the Model Cities program has remained intact, and I think is proper.

Primarily the program aims at arresting blight in core areas, and at the same time increasing housing for low-income families, and providing educational and social services to blighted areas. The program proposed to set up a Federal coordinator within each demonstration city to pull together the various Federal grants flowing into the demonstration. The presence of such a coordinator would be at the discretion of the city and would presumably be a member of the local community. In implementing local plans, the program specifies that local administrative machinery must be available to carry out the entire program on a consolidated and coordinated basis.

A total of 15 cities have applied for funds in California. These cities range from Los Angeles, with a population approaching 3 million, to Alviso, with a total citizenry of 3,000. Let us apply the concept of the Model Cities Program to the Watts area. Suppose new housing is built, suppose new schools are financed, that retraining programs are established, and that welfare services are improved. What happens next? What happens after the Model Cities funds have improved the area? How do we insure that the productive quality of life in Watts will be enhanced, or that jobs will be found for those who are willing to work, or that transportation to and from the job will be adequate?

Los Angeles envisions a Community Development and Maintenance District which will coincide with the redeveloped neighborhoods once the Federal program has ceased to function. It is the hope of local Los Angeles planners that welfare funds will be redirected into these districts to maintain the level of improvement and employment.

This is only one instance of the inevitable involvement of the State in the end-product of the Model Cities Program. In short, the Model Cities Program gives the Federal government a major voice in the "clean-up" operation. But are we to expect that the Federal government will also dominate the "follow-through" stage, that it will maintain the level of service created in the "clean-up" phase? I doubt it, and personally I hope not. The major responsibility for completing the follow-through will have to rest with the State, for the State administers the laws which control the property tax policies that would be applied to a revitalized Watts. State law and State decisions govern transportation policy, freeway location and rapid transit facilities in relation to Watts. The State holds a major key to access to jobs through its State Department of Employment, its control over the conditions of doing business, and its economic policies. And State policies and financing determine the nature and extent of education programs.

As a local planning official in Los Angeles has stated, we have no idea of the nature and the magnitude of the problems which will be uncovered by this program. It is impossible to estimate what kinds

of resources will be needed at both the city and State level once the program is completed. In effect, the Federal government could be in the position of handing a rehabilitated community over to the State of California, which must then try to fit the community into existing programs and resume continuing responsibility.

At the moment, the State's role in the Model Cities Plan is purely advisory. Local plans have been submitted to various affected agencies, but only for the purpose of recommendation. Thus, State government will become involved in the initial stages of the program on only a piecemeal basis and only at the discretion of the local agency. Yet State government will be brought in to deal with the end-result.

As Walter Lippmann observed, "While the Great Society can be authorized and in part financed in Washington, it will have to be worked out and paid for and administered and enforced in the great urban conglomeration where an increasing majority of our people live."

An obvious alternative to Federal coordination of such projects is to permit an appropriate local agency to provide coordination.

The Model Cities legislation should be amended at this point to indicate an Urban Renewal Program which might be accomplished by a state agency under whatever standards and safeguards the Congress and the Secretary of the Department of Housing and Urban Development might find necessary. I know that immediately there will be cries that some states will just not do anything in that case, and I suspect that is true. But I say that too much of our legislation in the past—Federal legislation—has been written according to the desires of the southern establishment or the problems of foot-dragging by the southern states. And those states which have demonstrated in many areas a concern and desire to move—and this is certainly the case in California—if there has been any major improvement, as there has been a great deal in the field of education and other fields, it has been largely at the State level. There is very little initiative coming out of local levels insofar as this is concerned because of one simple reason: They do not have the authority to accompany the responsibility they have been given.

There are other reasons. Let me just finish by saying it seems to me that we ought to be able to devise Federal legislation which is flexible enough to allow those states that can and want to do it and lack only one ingredient—that is, money, for one reason or another—to participate in a meaningful fashion. I think, on the whole, the state has a much better picture of urban problems in their cross jurisdictional implications. I can't overemphasize the importance of this point.

I have already outlined the problems. It seems to me a more intimate knowledge of local conditions is essential to the design and operation of successful programs. The state is also in a much better position to operate the programs effectively, and Federal administration should tend to regulations and guidelines on a national basis, whether or not they are best for a particular situation. All too often they are patterned after the older cities of the East, where as con-

ditions in California are vastly different. Cities live largely by a single set of rules designed to satisfy varying conditions of all, but usually serving none of them very well. But the state has that needed flexibility.

In addition, the state is in a prime position to insure a more equitable redistribution of income which, as we all recognize, is at the heart of the urban problem. Only the state, because of its control over both property taxes and income taxes, can insure that the surrounding suburban community will get its share of the cost of rehabilitating urban slum areas. State property tax policies will have a substantial impact on the future of any rehabilitated area and, in the absence of revolutionary action by the Federal government, that is going to continue regardless of what actions are taken in rehabilitating those areas. Finally, the state will be in a much better position, it seems to me, to determine and assign priorities to various problem areas. I don't know how the Federal government can honestly say which one of the applications from California is the best, which one is the best for the State, which one will have the biggest impact—not just on the people there, but on the State and, as a consequence, on the Nation. Federal projects, it seems to us, are authorized all too often on the basis of who got in first and, in many cases, who got there first with the least.

I have tried to clarify the special nature of some of the problems in the Los Angeles area and in California generally, but I do not intend to be insular. I have described the present role of State government in California. Although we have had somewhat of a temporary setback in at least one office of the State insofar as division is concerned, I trust that is only temporary. I think I have also indicated something of the potential role of all state governments in the approach to urban problems.

I have questioned here some of the characteristic features of many Federal programs enacted in recent years, but it is not my purpose to be cynical. I am concerned that there is a growing cynicism in this land—a lessening of confidence in our ability to solve the problems of our cities. We cannot forever layer one ineffective program onto another and hope to maintain public support for our efforts.

I think that is essentially what has happened today, and, essentially, if I had to say anything about last fall's elections, it would be that too many programs which were designed with the best intent have simply not produced up to the expectations of their principal architects. As a consequence the people see very little being done with the great amount of effort that is being put into it.

We have promised much to the people of our cities. We have produced an atmosphere of rising expectation among the poor. We must deliver on those promises soon with a massive mobilization of our knowledge and resources. In this effort, my friends, I think California at least—and as I said before, I believe many other states—ought not to be ignored at the state government level. We have many unique resources. I think many of us have demonstrated an ongoing concern

to deal in a meaningful fashion with these major problems, and I think we can make a major contribution.

Thank you very much.

MR. EHRENKRANTZ: Thank you very much, Mr. Unruh, for your contribution to the Commission.

MR. UNRUH: I have a little more extensive statement which I will file.¹

MR. EHRENKRANTZ: Yes, I think it has been distributed. If you have the time and are able to stay for the questioning—

MR. UNRUH: I could stay for a brief while. I would be happy to respond as well as I can for a while.

QUESTIONS BY COMMISSION MEMBERS

MR. EHRENKRANTZ: We would like to open it up to the Commission for individual questions.

MR. BAKER: *Mr. Speaker, the CED in 1966 presented a report to the Nation in which they recommended elimination of some 67 or 62 thousand units of government. The State of California has approximately 5,800 individual units of government.*

MR. UNRUH: I thought it was 6,400.

MR. BAKER: *Most of us in local office feel that there should be some consolidation of these, some elimination. Yet we are tied to legislative vehicles that do not let us do this. We want to do it. We would like to do it, but we are hamstrung. Can you see any solution to this through any legislative process in the immediate future? Can we accomplish this?*

MR. UNRUH: I think the record of the Legislature in this area has been relatively responsible and somewhat responsive; and the reason it has been only somewhat responsible is because it's been too responsive in some cases. We did, in 1963, if you remember, initiate the Local Agency Formation Commission, which we think has done a great deal to at least not compound the problem with further fragmentation of local government. Unfortunately, we were not able to get legislation to give that Commission or some other commission rollback authority.

Now I have to say in all candor that I think that is principally the fault of local governments, who have sold somebody in this State, among others the Governor, on the concept of home rule that precludes us from moving—as I said in the first portion of my remarks here—from re-establishing or revising established patterns of local government. I think the Legislature will respond when local governments decide that they want to do something about that, which I do not foresee in the relatively near future.

MR. BAKER: *I think we must first define the concept of local government. Often, this is referred to as the city and county, but this is only a very small part of local government. Would you say we*

¹See extracts page 453ff.

should consider all 6,700 units in California as local governments?

MR. UNRUH: I thought we had about 6,400 units of government in this State. It may be a few less now since I got the school unification bill through. The Governor wants to repeal that.

MR. BAKER: *But there are also these special-purpose districts established back in the rural communities of California, some since the State began. They are still functioning and cannot be disentangled through the maze of legal complications that exists. This is the area we should direct our attention to.*

MR. UNRUH: I agree with that. I do not support the concept of single-purpose districts under any situation. As a matter of fact, I do not support new agencies at all that tend to further fragment, under any circumstances. I think we have moved somewhat responsively in the other direction insofar as the Legislature is concerned.

MR. BAKER: *The Legislature gave the State of California the service area contracts—a great step forward in fulfilling this need for existing levels of government. How would you recommend now to eliminate or avoid or disentangle this barrel of snakes that exist?*

MR. UNRUH: I think it will have to be a joint effort. I think, as I said here today, that we cannot wait for the disentanglement, the consolidation of governmental units at the local level in California, to deal with the problems of the old and poor, which is essentially what we are talking about. I think we should try to do something. We have tried. We passed major legislation in 1963 and again in 1965, which Assemblyman Knox carried through—painfully, I might add. But there is not sufficient support for major revision of local government units to provide the impetus for this. I suggest you dare not wait that long in the forlorn hope that the patterns are going to be re-established in time to deal with this pressing problem.

MR. BAKER: *Do you think the State should mandate the dissolution of these special districts?*

MR. UNRUH: I think the State is moving in that direction, yes.

MR. EHRENKRANTZ: Senator Douglas.

MR. DOUGLAS: *Mr. Speaker, your testimony was very able. It confirms the opinion which many of us hold, that you are an extremely able legislative leader.*

There is one point I would like to explore with you concerning the Federal requirements upon localities—that they observe the various provisions of the Civil Rights Acts. A great many Federal grants have been given in the past without regard to whether or not there was racial discrimination in the hospitals and in the schools and the like. Some of us therefore feel that as a requirement for future grants the localities must actually observe the provisions of the Civil Rights Acts and practice no discrimination in the various public facilities. As you know, one section of our country would like to have the Federal grants, but would not like to have the accompanying requirement of no discrimination. Therefore, HEW [Health, Education and Welfare] has felt compelled to lay down guidelines of no discrimination which have been bitterly protested by state and local

authorities in the Southern and many of the border states. Many of us are afraid, in the case of so-called block grants to the states, unless they are accompanied by certain standards there will continue to be overt and covert discrimination against the Negroes. That is Number one. Number two, even though some of the disparities of representations in the legislatures are being reduced, this process has certainly not been completed. In its stead, a new type of discrimination is coming up—the opposition of the suburbs to the central cities. Therefore, is not the Federal government justified in imposing as a condition of receiving Federal money that certain actual standards based, we believe, on the Fourteenth Amendment be actually carried out?

MR. UNRUH: Senator, I have no indifference with the basic tenets of that feeling. I share your concern that the civil rights laws be conformed to. I must say in all candor, however, that I think it must be possible, with the massive amount of brains and ability and equipment we have at the Federal level, to devise flexible enough legislation to take care of those problems insofar as the Southern and border states are concerned, and also insofar as the suburbs are concerned, without tying our hands on moving ahead.

If I can take just a moment to develop a little bit farther, I don't think that is a major problem insofar as the State of California is concerned. It is a problem in some of our urban areas today. But I don't see how, under the present system of Federal government to local government directly, short-circuiting the state, you can deal with that short of the Federal government's coming in and telling the local people how they have to be organized. I suggest that isn't likely to happen in the near future, because our school districts, for example, in California—if you are going to deal directly with them as you do now—many of those school districts are absolutely powerless to do anything about de facto segregation because that is where all of them live. That is where all the minorities live, and if you deal directly with the Los Angeles City school system, which has most of the Negroes in Los Angeles County, in order for them to comply with some of the provisions in both State and Federal legislation, they would have to bus 500,000 children a day. It is almost a physical as well as a fiscal impossibility.

Let me use one quick example to illustrate to you what I mean by putting the floor under—which I certainly support—and not putting the ceiling over it. We have in this State a preschool program devised before the Federal Head Start Program. We now have two programs. Instead of the Federal government's picking up and helping us fund our original program, they brought another program in to top it. The State program has more rigid requirements than the Federal at every level, including anti-discrimination. But the locals—because the Federal government is more generous and has more money, and is not so tightly written—use the Federal program and neglect the State program. So this is the kind of situation I am talking about.

Now I do not support the concept of block grants. I do support it at such a time as we may have the holocaust in Vietnam over with—

when the Federal government is able to lower taxes. They are abandoning part of the personal and corporate field to those states which wish to service the responsibility they ought to service and pick that up. But I do not support the concept of block grants, particularly in those 21 states that have prohibitions against the income tax. If they don't want to levy the income tax themselves, they ought to be offered that opportunity when we can afford it at the Federal level. But we ought to insist they have the thrill of responsibility of enacting taxes to go along with it.

MR. EHRENKRANTZ: Mayor Vandergriff.

MR. VANDERGRIFF: *Mr. Speaker, since you were reared in Texas, where I live, and since you are a graduate of the University of Southern California and I am a graduate of the University of Southern California, I am so honored we have so much in common. I would find it very difficult to disagree with you on a point. I do want to tell you that.*

MR. UNRUH: I am not sure either one of us can afford that.

MR. VANDERGRIFF: *True. I have made it a point since I have been in California to ask many people if the California Legislature has been responsive to the needs of California cities, and the answer without exception has been yes. I think this is a special compliment to you, even more so because it is behind your back and not in your presence. But the point I want to make, and you have answered in part, I believe, is that you must know there are some states where the state governments have not been responsive to cities. In fact, we are being kind when you put it in just those words, saying you want some flexible legislation which would allow those states willing to service their responsibilities to do so, but at the same time not closing the door to situations where the cities unfortunately do not have a friend in their state capital.*

MR. UNRUH: That is exactly what I am trying to say. I am not sure I did it expertly, but I would insist on that myself. We have constant requests from local government for more money from the State, for example, which are used in the same situation. I have insisted, as I did in our school reorganization bill in 1964, that before we give more money we insist that they are organized properly to exercise the responsibility that we have given them. And I would think that is the case, or should be the case, with Federal legislation. All I am asking is that when you are putting the floor under, you don't put too low a ceiling on the top. There must be ways of devising enough flexibility so that this can go on.

MR. VANDERGRIFF: *I understand. I agree. Thank you.*

MR. EHRENKRANTZ: I believe there is one more question from the Commission. Coleman Woodbury.

MR. WOODBURY: *It is a very brief one, Mr. Unruh. The question of bypassing the states in the various aid programs comes up constantly. It was in our discussion this morning, and you referred to it this afternoon. It seems to me it involves two slogans that will raise the blood pressure without shedding much light. One is home rule.*

The other is state's rights. Do you think there would be any sense in a proposal that would enable the metropolitan urban areas to deal directly with the Federal government and make the states a significant connecting link with others? I live in Wisconsin, and let me give you an example from there which I think would be true elsewhere. I do not think it is in any way unique. I see very little sense in having the State of Wisconsin standing between the Federal government and Milwaukee, which is able to handle this sort of thing man-for-man, agency-for-agency. It is as well-manned and as capable as any of the state governments. On the other hand, there are many smaller places throughout the State that are less able to handle Federal programs directly. While there are differences in individual cities, I suggest it might be worth making a distinction on the question of size. Does this make any sense to you?

MR. UNRUH: Well, I think, again, it varies somewhat from state to state. I do not know how the City of Milwaukee is organized, but in the area I am familiar with—let's take Los Angeles. With whom would you deal in the Los Angeles area? The Los Angeles County Board of Supervisors? Judgment displaces candor at this point. Los Angeles City? Who would you deal with? The mayor? The mayor has no power over any of these problems. Short of a major reorganization, I suggest you can't really deal with an overall problem in California except with the State government, and while we may not lick Watts, with what has happened to the Executive Branch in the State government at this point, there is still enough impetus in this State to move forward. But I believe that what you are suggesting is better than what is happening now, when the states are being bypassed at every level. There might be a basis in fact in that.

MR. WOODBURY: *Thank you very much.*

MR. UNRUH: Senator and members, you have been very kind.

MR. DOUGLAS: Thank you for coming. You put on a characteristically fine performance.

MR. UNRUH: That is a compliment, coming from an accomplished performer like yourself. I have to be a good performer. I have tough competition.

Excerpts from Mr. Unruh's Prepared Statement Not Given in Oral Testimony

Perhaps the characteristic phenomenon of American politics in the 1960's will some day be seen as the emergence of the city as a political issue. To be sure, government has long addressed itself to the separate components of the urban experience—unemployment, deteriorating housing, segregation, crime, disease—but only in this decade have we developed a sense of the synergistic effect of all of these forces working together in the modern metropolis. With this awareness has come an increasing concern with the validity of ideas intended to solve urban problems. Money and manpower alone are not enough. Money and manpower must be invested in the *right* programs, or the result will be cynicism among those people whose taxes pay the bills and frustration among those people whose problems are not being solved.

* * * * *

I am convinced that the most immediate pressing issue facing all of us is the way we will deal with poverty and its results. All of the discussion about problems

in urban communities ultimately gets focused on the problems of the poor, and most particularly on the difficulties of the Negro and Mexican-American poor. The violent symptoms of this problem are what is really causing us great concern.

Matters of municipal organization, overlapping jurisdictions, transportation, the organization of delivery systems for various services: these are concerns we have always had. We will always have them in some form because our world is constantly changing and in response to change man will always tinker with his social system. We will never see the day when we can sit back and feel that the job of creating a perfect society has been completed. Unfortunately, major changes take place so rapidly these days that our tinkering activities are often too slow and incomplete to prevent problems from becoming crises. We now face a crisis.

The problem that tears our Nation apart is the problem of the hard-core poor—that portion of our population which is outside the mainstream of American life and struggling to get in. With this focus in mind, I would like to discuss several key programs affecting the poor to illustrate my points regarding the Federal role in urban affairs and the special relationship of the California State Legislature to the problems of our cities.

Education

I start with education because a good education is the main escape route from poverty. The second industrial revolution is fast destroying the economic potential of large segments of the population, and formal schooling is now the essential passport for entry into the labor market.

I believe the Federal government has only very recently, in its Elementary and Secondary Education Act of 1965, started to assume its proper responsibilities in the field of education, but the form of the Federal program is not as effective as it might be.

In California—and elsewhere in America—the State government has always had complete and full authority and control over the school district. In a strictly legal sense a California school district cannot do anything which the State Legislature does not specifically empower it to do by statute. Our State government has assumed responsibility for initiating programs and standards to guarantee a high quality of education to California's children—regardless of where they live. In California, nearly all the impetus for change has come from State agencies concerned with education, or from the State Legislature itself.

From this perspective, it is easy to see why there has been an amazingly slow development of the new Federal education programs in California. The Federal government has bypassed the State agencies of government in California which traditionally have led—both with ideas and dollars—in educational development.

I do not depreciate the efforts of the Federal Government to assist in promoting education improvements. The point is, however, that California has been a leader in educational progress for half a century, under the administrations of both political parties. The peculiar nature of the school district in this State, and the consequent expertise which has been developed by the agencies of State government and by the California Legislature, are facts of life which have been ignored in the application of the new Federal programs in California.

The new "money-funnel" runs from Washington to the school districts. This approach may be valid in areas of the country where the state has not demonstrated leadership, but in California, this approach is not appropriate. It is not geared to the patterns of California's system. As a result some of the federally financed programs duplicate existing State programs, or do not measure up to existing quality control standards prevalent in the State.

I believe that in a state that has demonstrated a capacity to initiate and carry out effective programs, Federal legislation should permit the state government to control and further specify the way in which Federal monies shall be used. In this way, Federal funds can assist a state to speed the implementation of its own carefully developed programs.

Such a policy would permit more progressive states to use Federal funds to develop programs that go beyond the minimum Federal standards. Such a policy would encourage the development and strengthening of important innovations

without the destructive and wasteful confusion that results from dozens of uncoordinated local programs that are often poorly conceived in the rush to make Federal grant application deadlines.

In California, many of our basic programs for improving education in disadvantaged communities have already been enacted. Some of them predate Federal legislation in this field and contain more specific standards and evaluation criteria. To cite a few:

The Miller-Unruh Basic Reading Act provides intensive reading instructions for low achievers in the first three grades, and may eventually reach over 100,000 children at a yearly State cost of \$50 million.

The Unruh Preschool Act provides for Federal-State sharing of the cost of preschool education to disadvantaged youngsters in poverty areas.

The McAteer Act of 1965, carries on and expands California's programs of compensatory education, begun in 1963, and attempts to apply State guidelines to the use of the new Federal education monies—to date with little success due to the lack of encouragement for such state efforts from the U. S. Office of Education.

The McAteer Compensatory Education Act of 1966 is a direct response to the Watts riots of 1965. This law provides \$7 million in State funds to reduce class sizes in poverty areas to no more than 25 and to hire teacher aides in such classes, plus \$4 million to finance demonstration projects in reading and mathematics in grades seven, eight, and nine.

The State School Building Bond Law of 1966, approved by the voters in June of 1966, includes \$35 million for the rehabilitation and reconstruction of dilapidated school facilities in the deprived neighborhoods of our large cities.

In addition to these specific steps, during the past three years alone the State of California has earmarked an additional \$245 million per year for new educational programs and to keep pace with a fantastic growth pattern that forces the State's school districts to open 150 new classrooms every Monday morning in the school year. This year in California, State government will contribute more than \$1.2 billion to the public schools of the State—more than 50 percent of our general fund and one-fourth of our total State budget.

Obviously, this is the pattern of a State government concerned with educational problems, and with the willingness to do something about them.

It is my position that the resources and programs at the state level must be utilized—rather than ignored—by the Federal government in achieving nationwide solutions to educational problems.

In a sense, it is paradoxical that in writing the Elementary and Secondary Education Act of 1965 the Congress included millions to help improve the staffs of state departments of education, and then bypassed those state agencies in setting up the real decision-making authority for distributing the greatest portion of the funds made available by that Act.

Beyond the basic recommendation that state government in those states able and willing to carry the burden be given the authority and responsibility for carrying out federally funded educational programs, I would recommend initiation of new educational innovations in the large city school systems. For example, we need additional Federal financial assistance for preschool education. We enacted our preschool program before the Federal Head Start Program went into effect, and we are now ready and willing to mandate kindergarten education, and to make preschool education strongly attractive to our big-city school systems. We need funds to carry these programs out. Thus far, we have merely scratched the surface, and the administration of these preschool programs has been spread out among several agencies of State and Federal Government.

Second, we need Federal financing to put into operation a new program of education which I advanced in 1965 and which our State Assembly Education Committee has endorsed. We are considering establishing "Advancement Schools" in our poverty areas for the young unemployed school dropout whom the more traditional school system has failed. Advancement schools would be organized to fit the needs and circumstances of the urban poor. They would not take the rigid form of many existing educational programs. They could be operated on job

training sites, could utilize indigenous personnel, could provide baby-sitting services, and could be operated in factories or in connection with public works programs. Stipends could be paid to the students, and a salary to the teachers, thus reducing unemployment, keeping restless youth off the streets and giving people the basic skills which they need.

Jobs and Vocational Training

It is interesting that the Federal Government has taken some significant steps recently to answer the charge that its vocational training programs were poorly coordinated. As little as six months ago, one could have pointed to the confusion caused by operating programs under the aegis of multiple departments and offices, but the establishment of the Coordinated Area Manpower Planning system should improve this situation. Some shift in emphasis toward on-the-job training and away from more formal classroom instruction has been in evidence, and I think that is a very good thing. So is the recent transfer of the Office of Economic Opportunity training programs to the Department of Labor.

However, we still have not fully realized that vocational training is only a means; we still tend to treat it as an end in itself. We have conceived our task to be one of training people; we have thought of a trained person as the final product of our programs. It is significant that most of the reports one sees on manpower programs emphasize the number of trainees enrolled. It is a rare report which contains any information on the vastly more important questions: How many participants are now employed? What is their earning power? How stable is their employment? What are their chances of upward mobility? and so on.

We must realize that employment is the objective of our manpower programs and that the number of formerly unemployed or underemployed persons now earning decent livings is the only test of these programs. I am suggesting that we do not even conceive our task properly, let alone operate our programs properly. We must shift the emphasis of our manpower programs from training to employment.

In the process of converting from training to employment, we are going to have to learn to be more flexible and experimental. Most of the jobs the hard-core unemployed and underemployed must get are in the private sector, and consequently, the active cooperation of the business community is the necessary condition for the success of any employment program. We are going to have to quit structuring government programs according to our bureaucrats' notions of "administrative control," "accountability," and "program integrity." We must accept the fact that businessmen do not enthusiastically behave as predicated in our bureaucrats' models.

Rather, we must shape our efforts to the needs of the businessmen who will hire, train, and employ the hard-core unemployed and underemployed. It is not a question of whether businessmen should be involved or how they can be coerced into providing employment. It is a question of how the economy can use the people who need jobs. Our starting point ought to be the reality of the American economy, and that reality ought to dictate the essentials of our manpower programs. The principles of "administrative science" ought to be a decidedly secondary consideration.

Finally, direct job creation by Government ought to be developed more positively. We talk about Government serving as "the employer of last resort," but no one, to my knowledge, has ever defined what "the last resort" amounts to, nor is there a program embodying this concept.

Our objective ought to be the employment of every person who needs to work in order to support himself and his family in decency. To achieve this objective, we ought to have an employment program which places primary emphasis on enabling people to fit the regular employment system in the private sector. Government should serve as an employer to take up any slack left after the primary effort.

Let me discuss another issue to illustrate some of the contradictions in Federal legislation. If the Congress is concerned about improving the lives of the poor people in our cities, then it should be re-evaluating the Federal income tax system.

In our recent studies of Medicare we were astounded to find that California families who are poor enough to meet our *minimum* standards for medical indigency will be paying enough in Federal income taxes to cover all or nearly all the cost of their medical care.

If the Federal Government is really interested in helping those at the poverty level, it should, at the very least, stop taxing them, and it might well consider adopting some form of income supplementation. This would be a simple, direct way of increasing the purchasing power of poor families.

I think what the majority of the poor people want and need most in California, or any place else for that matter, is simply more money so they can pay the price of admission to our well-publicized American way of life. We have very peculiar ways of reacting to this need. We say that we want to eliminate poverty and that we want to get everyone into the "mainstream," and so we proceed to pump a lot of money into programs advertised to accomplish that objective. But the tragedy is that much of this money never seems to find its way into the pockets of the poor.

Instead, we support an increasing variety of poorly evaluated programs and highly specialized professionals who are presumably helping the poor overcome those inadequacies which make them poor. All of this is based on the assumption that there is something seriously wrong with one-fifth of our citizens that makes them poor, and if we could only straighten them out everything would be all right. We must now admit that this assumption may not be altogether correct. At the very least it is a gross generalization.

In my State, as in most other states, welfare is a hotly debated political issue. We have 1 million recipients on the welfare rolls in California. The conservatives argue that most welfare recipients are inherently shiftless and lazy, and we should make it difficult for them to receive aid so they will have to go to work. The liberals argue that most welfare recipients are the victims of ignorance, cultural disadvantage, and racial discrimination. When we cure these social ills, they will be employable.

Both of these stereotyped approaches to the problem are wrong. Both liberals and conservatives start out with preconceived notions about these people that severely hamper their ability to deal with the problem.

The largest group of welfare recipients in California is made of those under 19. The second largest group is composed of people over 60. The third largest group is composed of mothers of the first group. Of the remainder, most are blind or otherwise severely and permanently disabled.

The fact is that only about 20,000 of our State's adult welfare recipients are employable in the conventional sense of the word. It may be that these 20,000 are lazy or ignorant or both. But the fact remains that our mountains of conventional and stereotyped ideology have labored only to produce a mouse.

The facts are, of course, that most of our welfare recipients are not employable. Most are legitimately dependent and will continue to be dependent, because we have no room for children or old people in the labor market. If we want these dependent people to enter the "mainstream" they are going to have to be supported at a level which permits them to leave the ghetto, to rent a decent place, and to buy the food and clothing and services that everybody else can buy. No amount of gimmicky programs can replace this direct and expensive solution. Of course, it is hard for us to accept the fact of dependency; it runs against our cultural grain. The result is that we now throw all kinds of money in the general direction of the problem without applying these funds directly to the problem.

Not only is the theoretical basis of many anti-poverty and welfare programs exceedingly questionable, but the contradictions and operational problems created by some Federal welfare programs are often on the wild side.

For example, take the matter of exempt earnings. The Economic Opportunity Act provision for exempt income highlights the confusion the Federal Government has created for the states in public welfare. Welfare recipients are permitted to keep a certain amount of the money they earn in the aged and blind welfare programs, and to a limited extent in the Aid to Dependent Children program for earnings of children. The Economic Opportunity Act adds the new dimension of exempting income that recipients receive from certain anti-poverty programs. The inequities in this system have been described in many places. In some circumstances, exempt income under EOA, combined with the welfare grant, has brought families to middle- and upper-income levels.

I believe it is valid to provide an incentive income for welfare recipients engaged in education, vocational training, and employment. But why can't we be consistent in our Federal programs? At present, one welfare recipient enrolled in certain EOA projects may receive an incentive income that goes beyond reason, while another welfare recipient working right next to him may receive no incentive income at all because he is involved in a non-EOA training program. Congress should review this "exempt income" issue so that a single system of standards is established for all public assistance recipients, and so that reasonable and equitable incentives to work can be established.

Federal policies determine the form and content of most of our welfare programs, and some of the deficiencies in those programs stem directly from weaknesses in Federal law. My comments concerning these weaknesses are intended as constructive criticism.

I believe that Federal welfare programs sometimes have the effect of intensifying the very problems they are designed to prevent. A case in point is the way Federal welfare policies affect the unemployed or low-income man and in particular the Negro man. Numerous studies, including the Department of Labor's report on Negro family life (the Moynihan Report) and the John F. Kraft study released by Senator Ribicoff highlight some very destructive effects of American culture on the Negro family.

One of the main findings of the Kraft Report was that without the man, the family falls apart. I need not review all the economic and historical reasons why the position of the male American Negro has been undermined. The sociological literature on this subject is extensive. But many of the Federal programs appear oblivious to this fact of life, and rather than strengthening, they actually have the effect of further weakening the status of the Negro male and the family life of Negro citizens.

In our culture the man is generally the breadwinner. His status as a man in society and in the family depends on fulfilling this role. But in our welfare programs the money goes to the mother to support the children, thereby reversing the cultural norm, reducing the importance of the father, and perpetuating the matriarchal character of Negro family life in America.

As another example, the new Federal Medicaid program for the medically indigent is built on the traditional welfare eligibility patterns. Excluded are most single people, married people without children, and parents of children if the family head is employed, even though these individuals and families may be living in poverty.

Our charity medical system will remain the only source of care for these people, who are known in the new Federal medical assistance jargon as the "unlinkables." In other words, the Negro man, and certainly the young single man in places like Watts, is almost completely excluded. Our laws tend to confirm his belief that he is a second-class citizen who has little to lose in revolting against our institutions.

It is significant that 80 percent of the 556 juveniles arrested during the Watts riots in Los Angeles last August came from homes without two parents, and the average adult convicted rioter was a Negro man who had dropped out of high school and was employed as a domestic or unskilled laborer in a low-paying job. I see little evidence that our present welfare programs operate to strengthen the position of the father and cement family life. I see little evidence that these

programs are aimed at the target population of cynical, hopeless, jobless, young men and abused neglected children.

I do find substantial evidence of Federal neglect in the field of child welfare services. For years Federal officials have recommended and urged the upgrading and expansion of a variety of foster care, adoption, and protective services for children in distress. But the Federal Government does not practice what it preaches. The inadequate Federal financing formula for child welfare services has severely hampered the development of these services. The functions which the Federal Government has described as necessary child welfare services cannot be performed without funding.

Probably the most horrible example of lack of coordination at the Federal level is the continuing strife between the Bureau of Family Services and the Division of Child Welfare Services. The latter demands autonomy from the former, and the result is a shameful stalemate in which the principal losers are the children in need.

The lack of protective services for all children who are neglected and abused is a national problem. Last year the State of California enacted legislation which requires reporting by physicians, hospitals, police, and others of abused children. These reports show that the incidence of abuse is much higher than suspected. As a result, the California Legislature is presently preparing legislation which will establish a statewide protective services program for neglected and abused children with as much State money as we can possibly afford.

Another neglected child welfare program need is for day care for young children whose parents are on welfare and are engaged in training or work. The Federal Government shares with the states the conviction that, to the fullest extent possible, able-bodied adult welfare recipients must be educated, vocationally trained, and placed on decent jobs. Since the majority of these adults are mothers of children, we find ourselves in the position of removing mothers from their children without adequate programs to guarantee these children are provided appropriate care while their mothers are in training or at work. As a matter of fact, the Federal Welfare Agency is precluding the availability of Federal money that could be used for day care by insisting that these services be rendered through the poorly funded Child Welfare Services program.

By categorizing day care as a Child Welfare Service program the Federal Government forces state and local governments to bear virtually the entire financial burden. This doesn't make sense. There is 75 percent Federal reimbursement for counseling parents, but no Federal money for day care for the children of those same parents who have been counseled to upgrade their skills and find a job.

One of the most startling facts to emerge from the special 1965 census of South and East Los Angeles is the extent of family disintegration. In the Watts, Central, and Avalon districts only about half of all the children under age 18 were living in a home which both parents were present.

In addition to strengthening family life wherever possible, we must also face up to the fact that some children, for their own protection, may need to live outside their natural homes. The protections needed by these children can be provided through a strong system of inspection and licensing of children's institutions and substitute family homes. Child-placing programs are extremely important, and sufficient money must be available to purchase good substitute care, whether in institutions or family homes. But this is another child welfare program which receives only minimal Federal support.

The services enumerated above are not all-inclusive but are examples of the increasingly important work that must be done on behalf of children. If states are to develop the scope and quality of services which we would all want for children, it is imperative that the Federal Government participate in a much more effective way.

Despite the fact that the meager Federal financing available to the states for child welfare services is grossly inadequate, the Federal Government is mandating that the states present progressive plans which will insure that every child will have whatever services are needed by 1975. The inconsistency between such Federal

proclamations and actions is bewildering. It is obvious that California has not neglected child welfare services, in spite of the Federal Government's failure to meet its share of responsibility in this area. California has 40 percent of all licensed child care facilities in the Nation. At present, California spends \$40 million for child welfare services and receives only \$3 million from the Federal Government. How long must we wait for the national concern for these children to be expressed in adequate Federal support for their welfare?

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Poverty Programs and Medicare

Another serious problem often associated with new Federal programs for the poor is that they fail to live up to their highly publicized objectives and are sometimes retracted or cut back almost before they are started. The psychological results of renegeing on promises are very serious.

S. M. Miller, writing in the *Child Welfare Journal*, observes that "Material on revolution indicates that a population is most likely to act, not when its position is the worst in absolute terms, but when conditions are improving but not as rapidly as they now are expected to. When the poor expect more—even though they may have more than the poor of other lands or they themselves had at an earlier point—then they feel most keenly their deprivations. This analysis is pertinent to the current Negro revolution."

In such a climate of frustrated expectations it is disastrous to make promises and then retract. To cite a few examples:

On the expectation created by Federal administrative officials that several million dollars would be available for Neighborhood Youth Corps jobs in Los Angeles, various public agencies developed the maximum number of jobs for youth possible with that amount and began recruiting youth to fill these jobs; then the Federal officials announced that they had changed their minds and would not allocate that much money. The expectations that were smashed were those of ghetto youths in Watts.

Another example: Our State administrators were led to believe that several million dollars would be available for Skill Centers in California. Again, the word went out that a certain number of the hard-core unemployed could be trained at these Skill Centers; and again, the figure was reduced, with the same result of smashed expectations.

Another example of Federal backsliding has occurred in Title 19 of the new Medicaid program. The Federal law stated that persons would qualify as medically indigent if their incomes were below the income level of the most liberal welfare category in the state. But when New York State took the Federal law seriously last year, there were great cries of alarm from Congress.

We in California would like to believe that the Federal Government meant what it said in the Medicaid program, and we are willing to do our part. In fact, in anticipation that Congress would pass Title 19, the California Legislature began work early in 1965 on a reformed and enlarged medical assistance program. After nearly a year of work, the Legislature established the California Medical Assistance Program, which contains a series of major achievements in health care.

For welfare recipients and a small group of other very poor people, the new program provides a comprehensive health program with free choice of hospitals and doctors. The legislation authorizes the conversion of California's system of county charity hospitals into general community facilities serving private and public patients equally, without discrimination because of economic differences.

The new California program, like the Medicare program for the aged, established payment of reasonable charges and reasonable costs for medical services as an integral part of the public commitment to guarantee top-quality medical care. Gone is the time when public programs encouraged the practice of inferior medicine by paying cut-rate fees. But future progress in the field of health hinges on changes in the provisions of the Federal legislation, which severely hamper our efforts to meet the health needs of California's low-income citizens.

The worst restriction in Title 19 is that the legislation does not give financial assistance to the states for a medical program for all poor people. Title 19 describes a medical program for a select group of poor people composed of welfare recipients and certain medically indigent. According to the new law, the medically indigent are people who are just like welfare recipients but who have just enough income to meet all their living expenses except the costs of medical care. Excluded are single people, married people without children unless they are blind or severely disabled, and parents of children if the family head is employed, even though the family may live in poverty. At least 13 percent of the people living in poverty in South and East Los Angeles are excluded.

Other problems exist because, in addition to merely extending the old welfare categories as a basis for determining eligibility for benefits, the Title 19 program extends the welfare administrative apparatus and the eligibility means test. The determination of eligibility under the new program is not only needlessly expensive but it involves the kind of degrading means test which has been an objection to public medical care programs for years. The test of medical indigence will extract a fierce price of pride from larger numbers of beneficiaries.

The Federal Medical law perpetuates some of the worst features of the old welfare system. We in California would like to move ahead in providing help to all people who have done everything possible to help themselves but still have medical needs and bills they cannot afford. We have proposed an imaginative program to accomplish that objective within the next few years. It is called CAL-MED, and the major obstacles to its passage are the rigidity of the Federal law and the stereotyped attitudes of Federal welfare officials.

If Congress really wants to accomplish its stated objective of guaranteeing good medical care for everyone by 1975, we think we have designed a system for accomplishing that objective in an economical way that is fully consistent with the realities of our American system of medicine and medical insurance.

The real question is, does Congress mean what it said? Recent actions in this field cast doubt on the reliability of Congressional intent.

Jobs and Transportation

It sometimes seems to us that certain Federal programs on urban problems must have been constructed and administered by people who never traveled west of Chicago. As a result of this lack of sensitivity to the vast differences between Eastern cities and Western metropolitan areas, we find some Federal programs totally inappropriate in California. Let me give some examples:

In 1962, Congress passed the Public Works Acceleration Act. The administration of the program was delegated to the Area Redevelopment Administration of the Commerce Department.

The purpose of the Public Works Acceleration Act was "to provide immediate useful work for the unemployed and the underemployed . . ." The program was aimed at mitigating conditions of unemployment by helping provide temporary jobs in the areas that needed them most. The legislation was packed with details as to how the program was to be administered. In addition to other factors, eligibility for funds was to be calculated on the basis of unemployment rates of labor market areas composed of one or more counties. This provision was based on the assumption that a job market was at least as big as a county. That is to say, it was assumed that unemployed people in one part of a county where no employment was available could travel to another part of the county where employment was available. While this might seem logical from a Washington perspective, it simply fails to fit the Los Angeles situation.

Metropolitan Los Angeles is about the size of Connecticut. Unemployment in South and East Los Angeles poverty areas was 10.2 percent in 1965. But the employment situation was much better in Los Angeles County taken as a whole, so Los Angeles was not eligible for any of this money. The shortage of public transportation and the high cost of existing transportation makes it extremely difficult for poor people to travel within Los Angeles job market as defined by the Federal agency.

Of course this situation has been eased somewhat. Under the Economic Development Act we can define a city as a labor market area. But even within its city boundaries, Los Angeles is large enough to comprise several poorly connected labor market areas.

The problems of transportation in Los Angeles are almost incomprehensible in terms of the experience of Eastern cities, and without transportation on a daily, economical basis, the poor are trapped within their pockets of poverty, unable to get jobs. The automobile has ceased to be optional to the families of Los Angeles. Without it they cannot get to work, to school, to the store, to the doctor.

In California, one-fifth of the total State budget goes for transportation—for highway construction and maintenance. As in the other fields already mentioned, the attitude, contributions, and regulations of the Federal Government have a profound effect. But Federal transportation programs often are tailored to situations that do not apply to Los Angeles or most of the West. Rapid transit, which just recently has become a major Federal concern, is a case in point.

To date, the Federal assistance has been for planning, testing, and study of rapid transit programs. The bulk of the funds has gone to projects in the corridor from Washington to Boston. Our Bay Area Rapid Transit District did receive Federal funds for a test track at Concord, and only last month, the Southern California Rapid Transit District received a \$975,000 Federal grant for planning, marking the first time such money from Washington has been made available to the Los Angeles area.

Most federally supported projects are in areas where the cities were originally built along railroad or rapid transit lines. In this sense San Francisco is the most Eastern-like city in the West. Unfortunately, I do not believe that solutions to rapid transit needs for San Francisco, Boston, or New York, will be appropriate for the rapid transit needs of Los Angeles, Phoenix, Albuquerque, or Salt Lake City—cities whose limits and growth have been determined by the automobile.

New concepts, concepts of imagination and daring, undoubtedly are needed in the sprawling Western cities. But the very size and sprawl that create the urgent transportation problem also make it almost impossible for Los Angeles to solve its problem. I believe it is in the Federal interest to resolve the rapid transit demand, not just for the Boston to Washington corridor, but for Houston and Los Angeles as well.

The Federal transportation program not only fails to solve some of our urban problems but also intensifies some of our difficulties and diverts our resources to secondary priorities. The largest of the current Federal highway projects is the 41,000-mile Interstate Highway System, estimated now to be completed in 1973 at a cost of something around \$50 billion. It will provide a defense highway system, connecting all of the major cities in the United States by high-speed freeways. I am not challenging the need for the system. But look at what it does to cities. These superhighway routes come together in cities, and even include routes within the cities to link the freeways for through-traffic. They will be of limited use in relieving intra-city traffic. They make it easier for many more automobiles to get to the city and then increase the burden on the urban streets.

In California we need all of the Interstate Highway System and then some; so that is not the issue. There is the issue, however, of priority. Because the Interstate System had to be completed originally by 1972, it has drained State resources. The more than 2,000 miles of the Interstate System in California have had priority even though there have been many instances where greater traffic deficiencies existed. Because ultimately California need all of the proposed Interstate System, in order to get the Federal funds, the State effort has been shaped to the Federal priorities rather than to solving more critical problems.

To illustrate further, let me point to one other transportation program, the Federal aid to secondary roads program.

Originally this was referred to as the farm-to-market road program and it was designed to help farmers get their produce to the cities. In California this program amounts to about \$11.5 million each year from Federal funds, matched with an-

other \$5.5 million of State funds. The program has existed for many years and is as essential today as ever. The formula for receiving this money is based upon rural area, rural population, and mileage of postal routes.

The point is that there is no similar program to aid cities in solving their street and highway problems. We have changed from a rural to an urban society.

Government Organization

Let me make a few observations about the organization of government and service systems in California—and in particular the Los Angeles area, which now has almost as many people as Michigan, the Nation's seventh most populous state. The Los Angeles area is made up of almost 80 cities.

[Discussion in the written statement follows on local government in California—as given in verbal testimony, pages 442-449—with special reference to the Federal Model Cities Program and need for state government's involvement.]

On the whole the state has a much better picture of urban problems and their cross-jurisdictional implications than the Federal Government does. I cannot over-emphasize the importance of this point. I have already discussed many of the severe problems created by distant administration. An intimate knowledge of local conditions is essential to the design and operation of successful programs.

The state is also in a much better position to operate programs effectively. Federal administrators tend to develop uniform regulations and guidelines on a national basis, whether or not they are best for a particular situation. California cities differ from eastern cities and a single set of rules designed to satisfy the varying conditions of both usually serves neither very well. But the state has the needed flexibility. Indeed, all local government in California is a creature of the State and is largely subject to State law.

In addition, the state is in a prime position to insure a more equitable redistribution of income which, as we all recognize, is at the heart of urban problems. Only the state—because of its control over both property taxes and the income tax—can insure that the surrounding suburban communities pay their share of the cost of rehabilitating urban slum areas. State property tax policy will have a substantial impact on the future of any rehabilitated area.

Finally, our State, because of its sophistication in handling diverse data and its pioneering efforts to adopt systems analysis to governmental use, would be in a much better position to determine and to assign priorities to various problem areas. The Federal Government on the other hand, seems to lack a statewide viewpoint from which to determine priorities.

California has led in the fight to curb urban sprawl. For example California originated Local Agency Formation Commissions. This is a pioneering approach which provides a State agency within each county with the power to curb unnecessary city annexations and incorporations; to forbid formation and expansion of special districts; and to develop comprehensive plans for reorganizing special districts and thus reducing their overlap and confusion. These State commissions, composed of local representatives, have been in existence for only four years, and already their achievements in curbing urban sprawl have been remarkable.

A similar approach would appear to be most profitable in regard to urban problems in general. This would stem from a realization that today's urban problems are truly cross-jurisdictional in scope and that both organizationally and financially they surpass the ability of local institutions to deal with them. Only the state has the comprehensive jurisdiction and the power to provide effective solutions. Rather than by-passing the state, the appropriate Federal policy should be to permit the states to take a leading role in coordinating efforts at urban reform.

Specifically the Model Cities legislation should be amended at this point to indicate that coordination of the total urban reform program might be accomplished by a state agency under whatever standards and safeguards the Congress and the Secretary of the Department of Housing and Urban Development might find necessary.

MR. DOUGLAS: Mr. Ehrenkrantz is presiding, but he kindly permitted me to welcome Mayor John F. Shelley whom I have known for 20 years. He was a member of the California State Senate from 1939 to 1946, then President of the California State Federation of Labor. From 1951-64 he was a distinguished Congressman. This is the first time I have seen him in his comparatively new role as Mayor of San Francisco. We welcome him and thank him for taking time from a strenuous day to be with us.

STATEMENT BY MAYOR SHELLEY

MAYOR SHELLEY: Thank you, Senator, very much. May I say that seeing you again and saying hello is really a very wonderful opportunity after our many years of friendship and working together on legislation.

Mr. Chairman, and members of the Commission, I appreciate this opportunity to present my views to you concerning the future governmental needs of the metropolitan San Francisco Bay Area.

As a central city of 740,000 people, San Francisco has regional needs that are difficult to solve because the 4,260,000 people of the metropolitan Bay Area are under the jurisdiction of 91 city and 9 county governments. There also exists in the Bay Area a strong and respected tradition of municipal home rule. As a consequence, regional planning and governmental action to meet areawide needs by voluntary cooperation have been matters of top priority for my administration. San Francisco has also actively supported cooperative efforts to develop new and realistic methods for dealing with area-wide needs when voluntary cooperation cannot be expected to work.

Fortunately, it has been possible to make significant progress in the Bay Area since the end of World War II, particularly during the past three years. We have a voluntary Association of Bay Area Governments composed of 95 of the 100 city and county governments in the region, a preliminary regional plan, and five existing single-purpose governmental agencies at work on regional problems. The future, however, is uncertain.

If past trends continue, we could see the creation of what can most accurately be described as a "fragmented super-government." This is what will happen if more single-purpose regional agencies are added to the five we already have. In my judgment, this would be bad for the Bay Area and bad for democracy.

Limited-Function Regional Government, Or Else

It is generally agreed by those who are actively concerned with the future of the Bay Area that 1968 will be a decisive year. As a result of the gradual, steady, evolutionary developments which have taken place during the past 20 years, a consensus seems to have been reached in the Bay Area that a unified, limited-function regional government is now essential. And a consensus has also been reached that a specific

legislative proposal for such a regional government should be prepared during 1968, prior to consideration by the 1969 session of the State Legislature of the need for any additional single-purpose regional special districts.

We can be sure that new special districts will be proposed. And we can be sure—as American history tells us—that local governments in metropolitan areas will not readily consent to the establishment of a limited regional government when the time for action comes. But San Francisco and other Bay Area local government leaders are determined to try to create such a government.

How did we reach this critical and hopeful stage?

What are the policies of the City and County of San Francisco on the vital issues of regional needs and metropolitan government?

What are the major problems which must be faced now?

In discussing these questions, I believe it is important at the outset to state two basic judgments which have influenced my thinking.

First, city and county governments in the major metropolitan areas of the United States must find ways to meet recognized critical regional needs. If they do not do so, they will be dangerously weakened by the intervention of state and Federal governments. As a former Congressman and State Senator, I am convinced that these higher-level governments will not stand by and refrain from action when undeniable public needs in our great metropolitan areas are not being met. They will act, even though almost everyone agrees that local needs should be provided for by programs shaped and controlled by local governments.

Second, strong municipal governments are of critical importance to the future of our democracy, especially at this time. No other government can be as close to the people. No other government can be as responsive to local needs. No other government can work out solutions to local problems that will both respect and take full advantage of the individuality of the community. This is equally true for social and physical development programs. It is unlikely, for example, that San Francisco's unique cable cars, which are now an established part of our city-owned public transportation system, would be continued if all Bay Area transit systems were to be taken over and operated by a single regional transportation agency. Strong city governments foster new ideas and make possible different approaches to similar problems. Almost every Federal urban program is a result of pioneering efforts by a forward-looking local government. Strong city governments also represent a stabilizing influence which in the past has caused state and Federal governments to be properly cautious in proposing oversimplified solutions to problems that actually vary significantly from city to city.

On the basis of these two judgments, and after several necessary preliminary steps had been taken in 1964 and 1965, I prepared for consideration of the San Francisco Board of Supervisors last year a comprehensive statement on the critical metropolitan problems facing San Francisco and the Bay Area. This statement included specific

recommended policies which could be used to guide us in our work as an active member of the Association of Bay Area Governments. Copies of the statement as finally approved unanimously by the Board of Supervisors, have been made available to you.

San Francisco was the first local government in the Bay Area to define its policy on this complex subject, and to present its suggestions to the Association of Bay Area Governments for its consideration. In February of 1967, the Association, after a year of intensive study, and after controversial public debates, took decisive, but far from unanimous, action, and established its own policy on the future governmental needs of the Bay Area.

As a result of the 1966 San Francisco policy statement, the subsequent decisions of ABAG, and recognition within the Bay Area of the momentum gained during the past 20 years by the single-purpose special-district approach to metropolitan problems, agreement has now been reached by all of the major advocates interested in constructive action, to debate the basic issues of regional government during the coming year. If current cooperative plans are successful, this will be done before a special Joint Senate-Assembly Committee of the State Legislature, which will be charged with the responsibility of reporting to the 1969 session of the Legislature. San Francisco supports this program, and will participate actively in an effort to shape a specific legislative proposal which will enable a unified, limited-function regional government to be established that can deal effectively with essential regional needs.

San Francisco is not fully in accord with the proposals of ABAG. As the major central city in the Bay Area, San Francisco has unusual social responsibilities which we are determined to deal with constructively, a highly specialized economy, and major financial investments in existing regional facilities. These special needs cause us to have certain sharply defined requirements which are not yet fully appreciated by some of our sister cities around the Bay.

I will discuss these differences in a moment. At this point, however, it is of special importance to emphasize to you that in recent years San Francisco and a majority of the other cities and counties of the Bay Area have been able, through their participation in ABAG, to develop a broad and well-defined area of agreement concerning (1) the need for a limited regional government, and (2) the basic elements of the regional governmental framework which should be established by state legislation as soon as possible.

Since the San Francisco 1966 policy statement provided the basis for most of the debates during the past year, and because it highlights both the areas of agreement and some of the principal issues which have not yet been resolved, I will restate the five main elements of our policy:

First, San Francisco recognizes that the Bay Area metropolitan region has certain limited, but definite, regionwide needs—in addition to those now being dealt with by the region's five single-purpose special districts—which cannot be provided for by its 100 city and

county governments acting alone or by means of voluntary cooperative agreements. The existing unmet needs are identified as (1) regional refuse disposal sites, (2) a regional system of airports, (3) regional planning, and (4) a regional open space and greenbelt system.

Second, San Francisco has made a judgment that the further proliferation of single-purpose Bay Area special districts by the State would be undesirable. If this were to happen, it would mean we would have a continuously increasing number of separate, functional governmental districts within the region which would be impossibly difficult for the electorate, as well as for local, State and Federal governments, to control. It would lead to a situation I have described as "super-government by fragmentation."

Third, to assure the continuation of strong local governments to handle all local affairs in the Bay Area, the San Francisco policy advocates the establishment of a unified, limited-function regional government with sufficient authority to meet agreed-upon limited regional needs effectively. Eventually, the new regional government would assume responsibility for the five existing single-purpose regional special districts which have been created since 1947 to deal with Bay Area water pollution, air pollution, rapid transit, transportation planning, and Bay conservation.

Fourth, the governing body of the regional government should be directly elected and proportionate to population. San Francisco subsequently modified this policy to provide for a governing board which would, during its initial period, have a membership composed of both appointed city and county legislators and directly elected members. I will discuss this key policy in more detail in a moment.

And, fifth, San Francisco's comprehensive policy calls for inclusion in the legislation that would create the new regional government specific and workable safeguards to keep the new government limited strictly to those areawide functions that the cities and counties of the Bay Area cannot provide for by acting alone or by means of voluntary cooperative agreements.

Before I discuss the major unresolved issues I judge to be of critical importance to San Francisco and to the people and governments of the entire Bay Area, I wish to point out some of the reasons why it has been possible for us in the Bay Area to reach the hopeful point at which we find ourselves.

It is my understanding that most of the major metropolitan areas of the United States seem to take it for granted that the "regional home rule" approach we are following is unworkable. Why are we following this path? Why have we been able to move ahead so rapidly in recent years?

There are certain significant differences that exist between the patterns and traditions of local government in the metropolitan San Francisco Bay Area and those of the other major metropolitan areas in the United States.

Two differences seem to be outstanding. One has to do with size. The other has to do with an attitude toward city government that is dominant in the San Francisco Bay Area.

The metropolitan Bay Area has a population of 4,260,000. In this growing metropolis, there are 91 municipal governments, the largest of which is San Francisco with a population of 740,000. The New York metropolitan area has a population of approximately 15 million, but the size of the central city government is proportionately very much larger in New York than in the Bay Area. The Mayor and city council of New York City represent and govern approximately 8 million people, more than one-half of the entire metropolitan population. Thus, although the Bay Area is one of the Nation's major metropolitan areas, it does not have a large, central municipal government. Because of this, and for other reasons, a strong tradition of local government self-reliance—of municipal home rule—is a reality in the Bay Area to an extent that may be unique in the United States.

The same basic differences I have described above between San Francisco and New York also exist between San Francisco and the large central cities of Philadelphia, Los Angeles, Chicago, and Detroit. Each of these municipal "local" governments covers a very large territory and includes from one and one-half to four million people. San Francisco's land area, for example, totals 45 square miles, while Los Angeles' land area totals 464 square miles. Thus, to an extent that may not be generally recognized, San Francisco is still a local government, as well as a central city government in a great and growing metropolis, in a way that simply is no longer possible for these other five major cities.

As a result of these particular Bay Area realities, it is absolutely essential for San Francisco to have cooperative working relationships with the other city and county governments of the Bay Area. We are, governmentally speaking, a relatively small part of a large metropolitan "commonwealth." We are not, and hence cannot act as though we are, the dominant local government in the region.

This was not true in 1940, when the Bay Area had 1,700,000 people. It is true in 1967. We have had to adjust our point of view and, in recent years, we have done so.

In looking ahead to the cooperative efforts which will be necessary during the coming year, when we will be working with others to draft legislation for a unified, limited-function regional government, San Francisco will be particularly concerned with: (1) the composition of the governing board; (2) the regional housing problem; and (3) an alternative to metropolitan suburban sprawl.

The governing board of the proposed regional government will inevitably play a key role in shaping the future social, economic, and physical development policies of the Bay Area. During the past 20 years, experience has been gained with several different methods of organizing regional policy-making boards. Fortunately, in recent

months widespread general agreement has come to exist on the principle that the proposed new governing board should be organized so that it will reflect the distribution of population in the Bay Area.

Prior to agreement on the above principle, proposals had been made to organize the governing board either on the basis of equal representation for each local government, regardless of size, or on the basis of direct involvement of State and Federal governments by means of appointed representatives from these governments. Today, these two principles of regional governmental organization are no longer seriously considered. The one remaining unresolved issue has to do with whether or not the members of the governing board should be directly elected or should be appointed from city councils and boards of supervisors.

San Francisco's policy calls for a compromise between these two points of view. It seems essential to us to provide for a direct link between the existing city and county governments of the Bay Area and the proposed new regional government. If this can be worked out, the new government will be able to make more effective use of the experience of the city and county governments in the Bay Area than would otherwise be the case. The new government will also, in our judgment, be more effectively restrained from attempting to enlarge its own consciously limited sphere of authority beyond the agreed-upon areawide functions that, in fact, cannot be provided for by local governments acting alone.

Our policy also calls for the direct election by districts of at least half of the members of the regional governing board. This policy reflects our concern for direct representation of population groups within the region who would tend to be under-represented if the board members were drawn only from existing city councils and county boards of supervisors. Direct elections every two years also would assure open debate on the major issues which will have to be faced by the regional government. Unless such public debates are held regularly, there would be a tendency for the governing board to avoid the most difficult and controversial major issues.

It must be acknowledged that San Francisco's policies on the above questions do not represent the views of a majority of the city and county governments in the Bay Area today. It must also be acknowledged that the interests of the government of the City and County of San Francisco and of the people of the central cities in the Bay Area have been judged by us to require the adoption of the new principles in one form or another, if we are to give our support to the establishment of the proposed new regional government. Hence, the successful outcome of the efforts which will be undertaken during the coming year to prepare proposed legislation that would enable the establishment by the State Legislature of a Bay Area government is far from certain.

Metropolitan-wide Housing Supply for All

San Francisco also has a particular concern for the development of a metropolitan-wide housing market that will accommodate the needs of low-income and minority families far more effectively than has been the case in the past. This regional problem, and San Francisco's policy as a central city concerning it, are matters that are undoubtedly familiar to you. It is well known that, as a result of many factors, the postwar 20-year period of suburban tract development in the great arc around the central cities of the Bay Area has created a social situation for the metropolis as a whole which is of concern to everyone.

There are no easy answers to this complex situation. Although critics are constantly calling attention to this problem, a practical action program has yet to be developed which will significantly increase the housing opportunities in the suburbs for low-income and minority families. In response to a request I made in 1964 to ABAG, studies are now under way in connection with the work on the Preliminary Regional Plan which should clarify the existing situation and should highlight what may happen during the next 20 years if we do not succeed in finding effective ways to alter present suburban housing development trends. San Francisco and other central cities can be expected to continue to press for new policies and action on this critical metropolitan issue. It is obvious, I believe, that this issue is more likely to be faced and dealt with by the proposed new regional government if the governing board has a substantial group of directly elected legislators among its members.

The third and final particular concern of San Francisco which I will speak about today has to do with the relationship between the central cities and the next wave of suburban development that we all can foresee in the outer-ring of the Bay Area during the next 20 to 30 years as today's population doubles to nine million. Unless the incoming population can be accommodated in relatively compact and relatively balanced new communities, it is unlikely that workers in the newly developed portions of the region will be able to make full use of the regional rapid transit system we are now constructing and, hence, will not have access to the growing job opportunities in the central cities. It also will mean that the increasing number of people living in the central metropolitan areas will not have available to them the kinds of large-scale regional parks and open spaces that still exist in the outer-ring of the Bay Area. This great regional recreational and agricultural greenbelt is of critical importance to the future of San Francisco. There will be intense competition between conflicting metropolitan needs and development forces in what we know today as the Bay Area's greenbelt. Without a regional government, it seems almost inevitable that we will have another period of massive growth by sprawl. I believe it is fair to say that most Bay Area citizens do not want to repeat what are now generally accepted as the mistakes of the postwar decades. Realistically, how-

ever, unless there is a regional government whose governing body represents equitably the population in the central cities, it is unlikely that the forceful measures which will be needed to contain urban sprawl, to foster compact new communities, and to preserve and protect the regional greenbelt will be formulated and carried out.

There are, of course, other critical issues confronting the great metropolitan cities of the Nation which it has not been possible for me to mention today. Here in the San Francisco Bay Area, we have found a way to focus our attention on a limited number of metropolitan development issues. If we are successful in building a new government to deal with these issues, it should be possible for us to gradually move on to the full range of questions which must be dealt with, while at the same time maintaining and strengthening our system of local self-government. This is what we are attempting to do.

MR. EHRENKRANTZ: Thank you very much, Mayor Shelley.

Do you have the time to answer questions from the Commission?

MAYOR SHELLEY: If I have the answers.

MR. EHRENKRANTZ: Very good. Professor DeGrove.

QUESTIONS BY COMMISSION MEMBERS

MR. DEGROVE: *Is Professor Jones here also? Yes. Could we include Professor Jones in the questioning?*

MAYOR SHELLEY: May I also introduce Jack Kent, who is the Mayor's Deputy for Development in the City of San Francisco.

MR. DEGROVE: *Mayor Shelley, I certainly enjoyed your comments. It seems to me they are direct and point up some of the problems you have in trying to develop this regional government.*

I gather from what I have heard from you and from others that, to the degree you have a regional government now it is one fragmented into several districts in the San Francisco Bay Area?

MAYOR SHELLEY: That's right.

MR. DEGROVE: *I am wondering what the relative scope of this proposal for the regional government is, assuming you don't move very rapidly to absorb these existing five single-purpose functions? What kind of measure—perhaps Professor Jones would respond to this—of the total governmental expenditures would these four suggested new functions involve in this new regional government that you would start out with? Has anybody thought about that?*

MR. JONES: Well, I don't think that anyone knows yet because these are five new fields into which no regional agency has moved.

MR. DEGROVE: *I thought it was four. Are there five?*

MR. JONES: Five. Well, counting regional planning, which is already moving along.

MR. DEGROVE: *It seems obvious that some of your biggest, most expensive functions initially will not be in regional government.*

MR. JONES: It should be recognized that sometime during 1969 the Legislature has to decide what it is going to do with the plan that

has been prepared by the Bay Conservation and Development Commission for conserving and developing the Bay's shoreline. Now, that is a big problem facing the Bay Area. Also in '69 the Legislature has got to decide what they're going to do about transportation planning and the execution of those plans; and further in '69 they have also got to decide what they will do governmentally with respect to maintaining the quality of water in the Bay and the Delta.

Now, all of these decisions are going to have to be made in these three fields—shorelines, transportation, and water quality—so that really there are eight regional functions which the Legislature and the people of the Bay Area are going to have to face and make some decision as to how they are going to be handled—all in '69.

MR. DEGROVE: *Are you projecting, Professor Jones, that the best solution would be to put all of these under the new regional government?*

MR. JONES: I certainly think so, and this is what ABAG has asked the Legislature to do.

MR. DEGROVE: *Now, Mayor Shelley, I was very interested in your discussion of a proper representation pattern and of San Francisco's approach to that. You didn't mention any proposal in terms of the chief administrative or executive arrangement. What would you have in mind there?*

MAYOR SHELLEY: I think this is something that would have to be worked out in the legislative hearings. It would probably be the city manager type, an administrative officer who would carry out or execute the policies established by the governing board with an appropriate staff.

MR. DEGROVE: *Thank you.*

Now, Professor Jones, just briefly. You were talking about ABAG's approach but you didn't mention, as I recall, the representative pattern that you supported or that you thought might be best. Are you in accord with Mayor Shelley's observations?

MR. JONES: Yes. Except that I would like to see regional government exist, not for a few years, but permanently in the form that I gather San Francisco proposes: with cities and counties, as such, represented on the governing board. At the same time, there should also be members of the regional agency directly elected for this purpose.

MR. DEGROVE: *You don't think something like a strong mayor, though, on the executive side, would be needed?*

MR. JONES: Well, there would be a president of ABAG and if he is strong enough as a regional leader, we will have a strong mayor while he is in office. But even if the structure provides for a so-called strong mayor and a weak man is elected, then we will have a weak leader during that period.

MR. DEGROVE: *I am well familiar with that argument.*

MR. JONES: I have seen it work.

MR. DEGROVE: *But you say that doesn't have anything to do with*

how the chief executive might function or does there need to be a chief executive?

MR. JONES: We are not without experience. In ABAG, and in most councils of governments in the United States, the established practice is an appointed executive responsible to the governing board, and I see no reason to raise this bugaboo even though it would make, I am sure, some people happy. There are many ways to fight the Republicans, which I enjoy doing, or to fight the Democrats, which other people enjoy, which will not destroy ABAG or make it impossible to set up a regional agency.

MR. DEGROVE: *I recognize that, but that wasn't really what I had in mind. It seems to me that when you consider that a majority of legislative bodies are directly elected, you're departing from what I have thought of as the concept of what a council of the ABAG sort should be. That is why I pursue this.*

MAYOR SHELLEY: May I give you a little of the history of what the discussion was during all the day meetings, and the night meetings, and the long weekend seminars which led to the ABAG proposal?

When the Supreme Court decision came out—the so-called one-man one-vote system of election—this caught on with a lot of people who thought, well, this should be applied to everything. This means that any form of government whatsoever has to be a straight one-man one-vote, on a straight representation or population basis, with evenly cut up districts or by even population. Well, research by a great many attorneys found that there was nothing that referred to this as a completely new approach to government. Now, I am not against the one-man one-vote decision, or what it implies. I think it means that every citizen has the opportunity to express himself and vote for somebody, and it should be on a fair and equally distributed basis. But we are trying something new, that the court did not and does not specifically say, “Our decision applies to this.” The lawyers say, “We can safely assume that there may be a test some day, but we think we are safe now—that it doesn't apply in this case.” While we are going through a trial period we could get into chaos by immediately stepping into directly elected representation that might find itself in conflict with the policy of the city and county governments from which the new legislators are elected.

MR. DEGROVE: *Quite possible.*

MAYOR SHELLEY: Now, San Francisco originally proposed the one-man one-vote. Then after we got into these discussions, others from some of the smaller communities proposed nothing but representation by appointment of the presiding officer of the city council or the county board of supervisors. Well, there were those of us who felt this certainly was open to great question—that it was not democratic, that we were getting into a whole new field, that we were trying something daring, and therefore we should try to make a combination, with half of the governing body composed of people who are either mayors or supervisors or councilmen. The mayors or councilmen from the cities and the members of the board of supervisors from

the counties would have knowledge of the problems of their local governments. The other half of the new governing body would be directly elected by the people on a population basis, and this would be the arrangement, at least through the initial years. And maybe they would decide that this had worked well and it should be continued.

Now, that is the history of that proposal.

MR. DEGROVE: *I understand. Thank you very much, gentlemen.*

MR. EHRENKRANTZ: Professor Woodbury.

MR. WOODBURY: *If we could, Mr. Mayor, just pursue this question of the make-up of the governing body that you referred to. About how large a size do you think might it be, within some range?*

MAYOR SHELLEY: I don't think we have ever come to an agreement on a figure. There was a figure of 34 or 36 talked about. There were some figures up to 50. I think generally it was regarded that it should be somewhere between around 30 to 40.

MR. WOODBURY: *Well, living in a county that once had a governing body of 91, which has now been cut down to somewhere in the neighborhood of 40, I certainly think that you might be up toward a useful limit in size. Let's say half of those are elected and let's say you have got 20 that are appointed. You have 91 cities and 9 counties in the region. Doesn't this mean that some sort of device has to be developed for joint appointments?*

MAYOR SHELLEY: Yes. It was generally recognized and agreed upon that certain of the cities in a closely related geographic area and up to a certain amount of population would get together and make joint appointments.

MR. WOODBURY: *All right, and I take it the consensus is that this would be feasible? It might take a little doing, but it could be done?*

MAYOR SHELLEY: Generally this is agreed upon.

MR. WOODBURY: *My other question turns on your remarks about the transit system and the control of its future development as related to your second objective of a regional housing policy that gives adequate attention to the needs of poor people and minority groups. If that can be realized, then when it is realized, the dependence of it on the rapid transit system for getting people to jobs, and so forth, might be lessened. In other words, it would tend to break up the concentration of people of low income and of the minority groups in the central cities. We see this typically all over the country today while more and more of the jobs are in outlying sections. If more of the poor people and minority groups can live in the outlying areas that are opened to them, if housing is provided that they can afford, this long shuttle back and forth—counter-commuting and so forth—may not be of so much significance as it seems today. Frankly, this doesn't disturb me a bit.*

You've still got a case and a need for your rapid transit system. But I am just trying to be hopeful about the problems of dispersal and sprawl in the future.

MAYOR SHELLEY: Well, maybe I am overly hopeful, sir, but this is

part of the reason why it is proposed. I think we have to find a way to crack through the barrier that has been built around the edge of core cities into which the minorities pour, and the underprivileged pour, and the problem grows. Then there is the movement by others who say, well, all right, let them go out into the protected and restricted area.

Yet the areawide problems affect everyone. As we put rapid transit in, there has got to be communication. Small industry has been moving out to southern Alameda County and down the Peninsula, because they can get ground so much cheaper. Here they pay \$100 to \$112 per square foot. They can buy it there from \$4 to \$12 a square foot, build a beautiful new building all on one floor for their assembly plant, a fine penthouse office on top, and cut down handling charges. Now we have the great mass of unemployed, and the industries that have moved have the jobs. I think this has to be faced and solved. It can be solved better on a regional basis because each city doesn't want to quite face up to it on its own today.

MR. WOODBURY: *Thank you very much.*

MR. EHRENKRANTZ: I believe that this completes the questioning by the Commission.

I want to thank you very much, Mayor Shelley for being with us this afternoon, and again, thank you Professor Jones and Mr. Kent.

MAYOR SHELLEY: Thank you.

MR. EHRENKRANTZ: If we could reconvene the session for presentations from the floor. Speakers will be limited to five minutes for oral presentation; but written statements of any length will be welcomed by the Commission and the staff. Please give your name and affiliation and kindly use the microphone.

PUBLIC WITNESSES

Mr. Schiller: Public Ownership of Land

MR. SCHILLER: Mr. Chairman, members of the Commission, my name is Hans Schiller. I am from Mill Valley and I am a planning consultant. What I am proposing to you in written testimony¹ is the outcome of the paper which was produced last year for the ADA [Americans for Democratic Action] National Convention and was adopted by the delegation from California and in part by the convention. It was subsequently used in the preparation of a housing plan by the Democratic State Committee of California last year, and though I am presently chairman of the resolutions committee of the California Democratic Council, a political volunteer force in the United States, and have been its chairman on housing, I am not speaking for any of these organizations. I speak on my own behalf.

One of the major problems—at least as I see it at the present time in the United States in the production of housing that is within reach of all the people—is obviously cost. I am sure I don't have to belabor that point.

¹In Commission files.

I have two or three definite proposals and more in here which I would like to speak on. One is what I call a new land ethic.

The Secretary of the Interior, Stewart Udall, said in his book *The Quiet Crisis*, "In our perpetual search for abundance, beauty and order, we manifest both our love for the land and our sense of responsibility toward future generations."

I advocate the development of a new land ethic. I submit that land ownership at this point in history is largely a salacious concept, a futile concept hardly in keeping with democratic philosophy. We are lifetime tenants perhaps. Property and inheritance taxation has seen to it that our controlling interest does not extend much beyond the life span of a generation. Historically, it has been the large land-holdings which have had the most retarding effect on the promulgation of human rights and social equity.

Since we are no longer dealing with the pastoral America of the 19th Century, we might as well restrict our discussion to methods applicable to certain categories of land within existing or future urban areas.

Acting from a sense of stewardship with the desire to hand on to those who come after us inviolate, and perhaps improved, our most precious inheritance, we urge that land, whenever necessary and possible, be held in trust by the people and for the people. We propose that all land acquired by redevelopment agencies, and all real estate purchased with Federal, state, county, or municipal funds be retained as public property and not be resold to private owners and developers. Such lands shall be available for development by private parties, cooperatives or public agencies or a combination thereof, as circumstances might demand. These properties should be leased to the developers on a long-term basis of up to 33 years with renewal options not to exceed 99 years. Agreements should be worked out strictly on feasibility of reasonable planning predictions for such extensive periods of time.

This method should not only guarantee a higher return for the original subsidized purchase, but it would tend to stabilize land values and facilitate future redevelopment and redesign of vast urban complexes without the prohibitive interference of vested interests.

This proposal is not without precedent. The vast areas encompassed by the Capitol Improvement Plan up to the year 2000, including the extensive existing capitol grounds and parks in Sacramento, California, and all future acquisitions within the limits of the master proposal will be retained in public ownership. Federal aid under the Housing and Urban Development Act of 1965, or the Urban Beautification and Improvement Program, is limited to land in which the public owns fee title or equivalent controlling interest.

The next important thing is conflict between conservation and the needs of people. The inherent danger of rapid urbanization, followed by uncontrolled and unplanned sprawl, destruction of the open countryside, pollution of water and air, ravage and rot by

industry, improper waste disposal, and the decay of our core cities have been often and well cited. The problems have been clearly defined, the battle for preservation, management, and rehabilitation of our natural resources has been joined, and many skirmishes have been won. Still, all too many hang in balance; many have been lost forever. We are fortunate that brilliant leadership by individuals and groups has succeeded in instilling an awareness of the issues in the American public and officials alike. Intrinsically, however, the efforts of conservation are but one side of a complex of issues. We must, therefore, recognize the totality of the task. We believe that, like beauty, conservation achieves its fullest meaning only in relation to people.

Thus, unequivocal and unthinking conservation which merely attempts to retain the status quo without consideration of the essential needs of the human being tends to be equally detrimental to the healthy development of thriving communities. There is, therefore, an urgent need for a device to adjust the demands of habitation, industry, transportation, and the preservation of natural resources. A reasonable balance between these often-conflicting demands must be found.

One last word, and that is on the high costs of building because of proliferation of building codes throughout the country. I think it is essential that we develop a uniform building code so that we do not have unnecessary demands on builders, on designers and architects throughout the country varying from city to city, from locale to locale. In line with that I will submit several proposals.

Thank you very much, Mr. Chairman.

MR. EHRENKRANTZ: Is there anyone else who would like to address the Commission?

(No response.)

MR. DOUGLAS: I want to thank the many citizens who came to these hearings, and thank the witnesses also, and again express my appreciation to the members of the Commission for traveling the long distances and giving their time.

(Adjournment.)



index

NOTE: Page numbers in bold type indicate definitions of terms. Various Federal housing programs often are referred to by the section number of the law that created them as, for example, 221(d)(3); in this Index, these numbered programs are all listed under "Federal housing legislation."

- ABAG. *See* Association of Bay Area Governments
- AFL-CIO. *See* American Federation of Labor-Congress of Industrial Organizations
- AIA. *See* American Institute of Architects
- ASTM. *See* American Society for Testing and Materials
- Abrams, Charles 33
- administrative talent, scarcity for planning 243
- adobe, acceptability for housing 73
- Adult Education programs 119
- advance zoning 58
- Advisory Commission on Intergovernmental Relations 14, 389, 403, 406-7 434
- aging, social problems of 108
- agrarian tradition 148
- agricultural zoning, preferred assessment for 174
- Aguilar, Ignacio 113-15, 119-20, 137
- air pollution 163, 164, 214, 238, 389, 416, 422, 428
- Alabama 40
- Alameda County, California 221, 475
- Alaska 11, 412, 424
- Alcoa Aluminum Company 348
- Alviso, California 446
- Aliso Village 92, 95, 144, 153
- American Building Code News Analyst* 21
- American Federation of Labor-Congress of Industrial Organizations 235, 236
- American Indian 105, 129-30
- American Institute of Architects 14, 18, 21, 22, 30, 86, 192, 302, 328
- American Society of Sanitary Engineers, Hospital Plumbing Standards Committee 17-18
- American Society for Testing and Materials 64, 75, 87, 374
- Anaheim, California 186
- Anspacher, Mrs. Mariam 101-2, 120, 122, 132, 135-6
- anti-poverty programs. *See* poverty program
- Appalachian Region 365
- apprentice training 77-8
- architecture, communication about 139
- Architectural and Engineering News* 17
- architectural competitions 295-7, 313, 314, 322-3
- architectural control 216-17, 315
- architectural costs 54-5
- Architectural Record* 303
- Area Redevelopment Administration 461
- area-wide government 226
- area-wide planning 204. *See also* regional planning
- Arizona 234
- Armour Research Institute Foundation 64
- Army Corps of Engineers 204
- Assembly Committee on Municipal and County Government, California Legislature 404
- Associated Home Builders of the Greater Eastbay 206
- Association of Bay Area Governments 228, 230-1, 385, 390, 391, 393, 395, 396, 400-1, 434-6, 437-9, 441, 464-6, 470, 472, 473
- August, Joel 286-7
- BART. *See* Bay Area Rapid Transit District
- BATS. *See* Bay Area Transportation Study Commission

- Baker, David L. 1, 2, 3, 9, 14, 18, 38-9, 40, 42, 44, 57, 60, 62, 64, 66, 80, 82, 83, 85, 89, 92, 93, 95, 101, 102, 108, 113-14, 115, 119, 125, 134, 137, 138, 139, 140, 141, 142, 144, 153, 160, 165-6, 177, 185, 188, 189, 190, 192, 193, 200, 378, 411-12, 427, 449-50
 Baltimore, Maryland, 216
 Barrington, Illinois 223
 barrio, characteristics of 131-2
 Basic Building Code 12
 Bauer, Catherine 212
 Bay Area Conservation and Development Commission 150, 228, 233, 393, 471
 Bay Area Rapid Transit District 227, 232, 428, 462
 Bay Area Transportation Study Commission 393, 433
 Bay-Delta Study of State Water Quality Control Board 434
 Beauchamp, John 431-2
 Behman, Dr. Sarah 288
 Belser, Karl 215
 Berkeley, California 211, 223-4, 225, 233
 Berleman, William 108, 112
 Berry, Brian 145
 Bethlehem Steel Corporation 214
Beyond the Melting Pot 237fn
 Black Power 97, 123-5
 blight, effect on tax revenues 257
 block grants 451-2
 Boeing Aircraft 220
 Boston 85, 129, 168, 359
 Botsai, Elmer 3, 35, 57-60, 67-8, 70-5, 79-87
 Bowling, Anson 375-7
 Brooklyn Navy Yard, for preassembly housing 356, 362
 Brown, Governor Edmund ("Pat") 216-17
 Brownsville, Texas 368
 Brugger, Walter 17
 Buggs, John 159
 building codes
 administration 7, 15, 17, 19, 21 22-5, 163, 165, 195-6, 259
 adoption by reference 12
 and new materials 33, 70-1, 327-8, 332-3, 358
 appeals system 7, 19-20, 30-3, 356
 arguments against national 6-7, 15, 33-4
 conflict in 28
 criteria 15-18, 24-5, 27, 59
 detriment to low-cost housing 24-5, 34, 39, 81-4, 414
 differential standards 29
 duplication of inspections 19
 effect on design 293, 303-5, 329, 355-6
 effect on housing costs 1, 2, 29, 34, 39, 42, 58, 67-9, 188, 313, 322
 elimination of duplication 415-16
 excess standards 199
 exits 59
 fees 374
 frequency of amendment 11
 ICBO Code Change Committee 10, 20
 "legal testing standards" 60
 loopholes 355
 metropolitan coverage 23
 minimum standards and deterioration 27
 "must do" requirements 15, 27
 outmoded fire load tests 13
 plan-checking service 10-11. *See also* ICBO
 public relations 13
 research 9, 10, 11-12, 21, 26, 28
 school buildings 25
 standards development 12
 systems evaluation 22
 testing new materials 75-77. *See also* building codes, research
 training programs 7, 10, 23-5, 31-2
 uniformity question 6, 13, 14-18, 405-6
 variability of 42, 321-2, 373-4, 375-7
See also adobe, AIA, California State Building Code, California State Building Standards Commission, electrical codes, labor, new products
 building costs, homebuilder's analysis 44-52
 building inspectors 7, 406
 building officials 30, 31-2
 Building Officials Conference of America 9, 12, 13
 building standards 16
 building system 340
 building technology, plastics 334-42
 Bull, Mrs. Robert 427-9
 Bullock, Paul 191, 192
 CALMED 461
 CED. *See* Committee for Economic Development
 Califano, Joseph 110
 California 1, 23, 25, 30, 34, 37, 38, 58, 59, 61, 62, 66, 70, 77, 78, 94, 145-52, 153-5, 157, 160, 174, 182, 185, 188, 201, 202, 203, 207, 211-

- 212, 213, 216, 220, 223, 225, 229-30, 234-6, 254, 278, 281, 283-4, 327, 344, 360, 373, 386, 389, 392-9, 401, 403, 409-14, 421, 422, 437, 440, 442, 443, 446-55, 457, 459-63. *See also* Southern California
- California Commission for the County Tomorrow 391
- California Commission on Housing and Community Development 42, 393
- California comprehensive health program 460
- California County Supervisors Association 391, 434
- California Council, American Institute of Architects 28, 59, 60, 328
- California Department of Housing and Community Development 5, 189, 386, 393-4
- California District Reorganization Act 387, 391, 403
- California Division of Building and Housing Standards 5, 394
- California Division of Highways 150-1, 233, 389
- California Division of Housing 376-7
- California Earthquake Protection Law 393
- California Employee Housing Act 393
- California Freeway Plan 392
- California Going, Going, Gone . . .* 201
- California Highway Commission 163-4, 422
- California Institute for Local Self-Government 396, 398, 400, 405
- California Intergovernmental Council on Urban Growth 368, 388, 391, 395, 400, 434
- California Joint Exercise of Powers Act 386, 390, 403
- California Labor Federation 236
- California League of Women Voters 427-9
- California Master Plan for Higher Education 392
- California Master Plan for State Beaches and Parks 392
- California Medical Assistance Program 460
- California Mobilehomes and Mobile Parks Act 393
- California Motor Vehicle Pollution Control Board 389
- California Outdoor Recreation Plan 392
- California Public Utilities Commission 147, 234
- California State Building Code 3-4, 6, 28, 29, 34-39, 58, 415
- California State Building Standards Commission 3-5, 28, 34-5, 395, 415
- California State Department of Employment 446
- California State Development Plan 392, 415
- California State Housing Act 5
- California State Housing Code 38-9
- California State Housing Commission 189
- California State Housing Law and Building Regulations 393-4
- California State Planning Act 217
- California State Planning Advisory Committee 391
- California State School Building Bond Law 455
- California State Water Quality Control Board 389
- California Tomorrow 201
- California Uniform Assessment Law 258
- California Waste Management Act 389
- California Water Project 392
- Cannon, Dr. J. Alfred 103-8, 121, 123, 124-5, 126, 130-1, 134, 143
- capital gains tax, shelter for speculators 203
- Capitol Improvement Plan, Sacramento, California 476
- Carbray, James 39-41
- Carson, Dr. Arthur 192
- Carter, T. H. ("Nick") 9-14, 20, 22-3, 26, 29, 30-2, 86
- Case, Fred 161-71, 173, 175-7, 179-181, 184, 188, 193
- Cast Iron Pipe Institute 375-6
- cement plaster stucco, acceptability for housing 72
- central city 144, 157, 159, 288, 468
- Chaffee, Everett 3, 92
- chem-stress cement 364
- Chicago 365
- child care centers 119
- Child Welfare Journal* 460
- citizen action 190-2. *See also* citizen participation
- citizen advice bureaus 120-1
- citizen education 261-267. *See also* public education
- citizen participation 111, 275, 276-7, 287, 290-1, 398, 409, 420
- city
- as economic unit 161
 - as political issue 453
 - esthetic 320
 - planning 325-6
- City Is the Frontier, The* 33
- city powers limited 443

civil rights 123, 450-1
 Claremont, California 42, 186-7
 Clark, Kenneth 107, 123
 Claude Oakland and Associates 292
 coalition 124-5
 code enforcement
 displacement by 144
 remedial 8
 codes. *See* building codes, code enforcement, housing codes, zoning
 College Housing Program 323
 Colling, Hal 21
 Columbia, Maryland 301
 commercial banks 160, 168, 169
 Committee for Economic Development 229, 379-85, 408-9, 411, 418, 423, 427, 449
 communication 102, 116, 120, 122, 129, 139, 230, 255, 285, 287, 313, 440
 Community Action Programs 98, 107, 109, 242-5, 272-4
 Community Alert Patrol 121
 Community Development and Maintenance District 446
 community development, in Southern California 153-7
 Community Mental Health Center 128
 community organization 93, 96, 97-101, 141. *See also* Community Action Programs, neighborhood
 Community Renewal Programs 265, 278-9
 community services district 387
 comprehensive local planning 385, 438
Congressional Record 376
 Conrad Engineers 357
 conservation, of land resources 476-7
 construction industry, different from automobile industry 347
 Contra Costa County, California 222
 Contract Cities Plan 401-2
 Cook, Daniel W. 429-31
 cooperative transportation planning, in California 389
 Coordinated Area Manpower Planning System 456
 coordination of urban development 332
 Copenhagen, Denmark 321
 Corona, California 186
 Costa Rican population, Los Angeles ghetto 105
 Council for Better Buildings, Los Angeles 362
 councils of governments 385, 400, 409-10, 412-13, 418, 473
 county government, as potential for change 407-8

creative federalism 405
 credit unions 122
 Crocker Land Company 212
Cry California 218
 Curtis, Anthony A. 137

Dark Ghetto, The 98
 Deavers, Bryan 57, 59-62, 66, 69, 77-9, 82-3
 defense establishment, role of in West 211
 DeGrove, John 1, 22-4, 55, 57, 80-4, 125-8, 142, 179-182, 200, 228-9, 274-5, 309-13, 314, 368, 423-4, 471-4
 DeMars, Vernon 299-306, 307, 309, 312-13, 315, 316, 318, 319-21, 324-9, 332-3, 343-4, 347
 demonstration cities 241, 244. *See also* Model Cities
 Demonstration Cities and Metropolitan Development Act of 1966 434-8, 440
 density 145, 162, 181, 207, 281, 296, 316-18, 330, 331-2
 desegregation 113. *See also* racial integration
 design
 coordination 324-6
 cost of quality 314-16
 emphasis 309
 limitation on 292
 process of 299-303
 quality in 294-7
 usefulness of demonstrations 313
 See also architectural competitions
 DeStefano, Frank 170-1, 277-9
 development, freeing up 307
 development problems, unrelated to blight 307
 development standards 156, 205, 305, 312-13, 317. *See also* design, subdivision regulations, subdivision standards, zoning
 Diamond Heights, San Francisco 296, 308, 314
 discrimination 240, 272, 285
 displacement 141, 180, 332
 Dolan, Bernie 284-5
 Dolores Mission 200
 Douglas Aircraft 366
 Douglas, Paul H. 1, 36-7, 43, 55, 66, 70-4, 84, 93, 95, 119-120, 121-3, 166, 168-171, 188-9, 192fn, 200, 221-4, 226, 250, 272-4, 316-18, 365, 374, 416, 418, 425, 441, 450-1, 453, 454, 477
 Downs, Anthony 1, 200, 321-6, 349
 Driver, William J. 191

Dyckman, John W. 144-53, 173-4, 176, 181-5, 211

EOC. *See* Economic Opportunity Council, California

Economic and Youth Opportunity Agency 117-18

Economic Development Act 461

Economic Opportunity Council, California 271, 276, 285, 290, 311

Economic Opportunity Program 242, 269, 272, 457

education 98, 112, 122, 246, 250, 252, 254, 455

educational and social services, to blighted areas 446

effective local government, qualities of 380

Ehrenkrantz, Ezra 1, 25-7, 60, 61, 69, 74, 75, 82, 87, 200, 201, 215, 218, 230, 232, 234, 236, 237, 248, 250-1, 261, 275, 277, 280, 284, 285-6, 287, 290-1, 294, 299, 306, 316, 318, 321, 326, 328, 331-3, 342-4, 346, 348-9, 353, 358-9, 365, 368, 371-3, 375, 377, 386, 407, 410, 415, 416, 422, 425-7, 429, 431-2, 441, 449, 450, 454, 471, 474, 475, 477

Ehrhard, Walter 142-3

Eichler, Edward 213

Eichler, Joseph 281-94, 307-8, 310-13, 315, 318-19, 321-3, 326-7, 332-3

electrical codes 167, 177, 318

electrical outlets 188-9

electronic data processing, as aid to setting city size and location 205

eminent domain 151, 193, 292, 308

employment 287, 365, 456. *See also* job flight

Enger, Mrs. Jane Carey iv

environment 204, 213

environmental form 302-3

Esherick, Joseph & Associates 296

esthetics 204, 332, 338, 345, 347

ethnic diversity 159

excess utilities 305

Expo '67 300

FHA. *See* Federal Housing Administration

FNMA. *See* Federal National Mortgage Association

Faber, Arthur 108

fabricated board. *See* building codes, new materials

fabricated flooring. *See* building codes, new materials

fair housing 113, 121, 188, 259

Federal conservation, of excess land 234-6

Federal control, through subsidy programs 208, 225, 231

Federal Elementary and Secondary Education Act of 1965 455

Federal financing policies 152

Federal Government 14, 18, 20, 32, 33, 94, 95, 99, 106, 111, 121, 127, 135, 141, 143, 150, 181, 192-3, 205-9, 211, 212, 215, 218-19, 225, 226, 230-1, 234-6, 252, 254, 255, 258, 263, 264-66, 277, 279, 287, 293, 323, 327, 351, 395, 400, 404, 421, 431, 434, 437, 440, 446-7, 448, 451-52, 454, 456-60, 462, 463

Federal Housing Administration 13, 26, 33, 49, 50, 51-4, 58, 63, 65, 68, 72, 75-6, 77, 82, 89, 90-1, 152, 159, 168-74, 187, 190, 238, 249, 296-8, 305, 311, 314, 323-4, 328, 356, 361, 363, 365, 376, 413, 426.

See also Federal housing legislation

Federal housing legislation

Section 23 (added by section 103

(a) Housing and Urban Development Act of 1965 to U. S. Housing Act of 1937; administered by Housing Assistance Administration) 125, 142-3, 253-4, 278, 445

Section 202 (Housing Act of 1959; administered by Housing Assistance Administration) 298

Section 203(b) (National Housing Act of 1934, administered by Federal Housing Administration) 209

Section 204 (Demonstration Cities and Metropolitan Development Act of 1966) 395, 435, 436-37, 439

Section 205 (Demonstration Cities and Metropolitan Development Act of 1966) 436-37

Section 220 (National Housing Act of 1934, as amended by Housing and Urban Development Act of 1965; administered by Federal Housing Administration) 126

Section 221(d) (3) (National Housing Act of 1934, as amended by Section 101(a) (6), Housing Act of 1961; administered by Federal Housing Administration) 25, 89, 126, 142, 159, 172, 180-

- 182, 203, 229, 258, 280, 283-5, 292, 296-8, 309-11, 319, 323, 329
- Section 221(d)(4) (National Housing Act of 1934, as amended by Section 101(a)(6), Housing Act of 1961; administered by Federal Housing Administration) 160, 172
- Section 312 (Housing Act of 1964, as amended by Housing and Development Act of 1965; administered by Renewal Assistance Administration) 91-2, 172, 298
- Federal National Mortgage Association 33
- Federal revenue sharing 388
- Federal tax policy 203
- Federal Threats to the California Landscape, The* 201fn
- Federal Urban Renewal Program, as instrument for land assembly 179
- Federation of Coordinating Councils, Los Angeles County 190
- Feinberg, Alex 1, 31-4, 38, 42, 56-7, 66-9, 87, 88, 89-91, 134-7, 171-4, 180
- fiberglas bathtubs 344
- fire insurance, in slum areas 168, 169, 170
- foam concrete 72, 365
- Folsom, Hon. Marion B. 379
- Fontana, California 214
- Ford Foundation, The 23, 27, 61-2
- Ford Motor Company 214
- Formica 333, 346
- Fortune* magazine 430
- Foster City, California 212
- Frederick Douglas Child Development Center 128
- freeways 164, 166-7, 185, 196, 198, 213, 216, 225, 233, 260, 325, 422, 462
- Fremont, California 214-15
- Fresno County, California 155
- fringe development 147-8
- Frisch, Clayton 110
- Frost, Robert 102
- General Motors 214
- general-purpose government 227
- general-purpose regional agency 434
- George, Henry 148
- ghetto 10, 92, 100, 104, 105, 107, 109, 113, 123, 124, 125-6, 128, 129-30, 131, 136, 140-1, 143, 144, 159, 174, 210, 212, 214, 216, 219, 258, 284, 353, 365, 444-5, 457, 460
- "ghetto affirmation" 97
- Glazer, Nathan 237-50, 261, 262, 264-5, 271, 280-2
- Golden Gateway, San Francisco 292, 304, 316
- Gottman, Jean 429
- governmental structure and finance
- California 386-95, 396-407, 463, 464-9, 471-5
 - city-county functional consolidation 385
 - city powers limited 443
 - city-state-Federal relationships 377-85, 395-6, 450-64
 - county government as potential for change 407-9
 - dissolution of excess local entities 411-12, 449-50
 - effective size of local government 420
 - fiscal incapacity of local governments 404-5, 410-11
 - fractionization of local governments 384
 - giantism 420
 - interlocal agreements 384, 390, 401-2
 - intergovernmental contracts 384-5
 - intergovernmental cooperation 388-90
 - intergovernmental working relationships 404
 - local government collaboration 419
 - overlapping layers, 381-3
 - qualities of effective local government 380
 - state responsibility in urban problem solving 442-8
- See also* Committee for Economic Development, councils of governments, home rule, local government, metropolitan government, "Modernizing Local Government," property tax, regional government
- Greer, Scott 445
- Guilfoyle, The Most Reverend Merlin J. 291
- Gump, Richard 315
- HEW. *See* U.S. Department of Health, Education and Welfare
- HUD. *See* U.S. Department of Housing and Urban Development
- Habitat 275
- "Hard Facts about the Future of Our Cities" 159 fn

"hardware" and "software" technologies 351
 Harlem 352, 365
Harper's Magazine 236
 Hawaii 11, 412, 424
 Hazard Park, East Los Angeles 190, 192
 Hensley, Joline 290-1
 Herman, Justin 289, 294-9, 307, 309-10, 313, 314-19, 322-4, 327, 329-32
 Herrick, James 109
 Hervey, The Rev. William H. 95-101, 107-8, 121, 123, 126-7, 132, 133
 Hirtten, John E. 261-7, 268-9, 271, 273-6, 278-80
 Holliway, Mrs. Dolores F. 251-5, 268-70, 272, 274-8, 290
 homebuilders 347
 homebuyer 52, 152, 154
 home financing 159-60
 home improvement 90, 172, 190, 209
 homemaking 109
 homeownership 79, 159, 181, 247-8, 269, 281
 home rule 5, 34, 37-38, 203, 224, 258, 381-2, 386, 399, 433, 439, 449, 452, 464, 467-8
 homestead exemption 40
 home sales, cost streamlining 54
 housing
 and population growth, Southern California 155, 197
 church sponsorship 142, 296
 construction costs 50, 157, 179, 195
 cooperatives 247, 281
 elderly 25, 39-41, 138-9, 142-3, 253-4, 274, 310
 experimental projects 343
 extended family 143
 financing 41, 52, 53, 158, 254, 324. *See also* commercial banks, homebuyer, home sales
 illustrative 298, 327
 increasing value 56
 labor costs 69-70, 283
 large-family 142, 253, 297
 leasing program 259, 274
 low-cost 32, 41-2, 93, 157, 160, 171-2, 180, 199, 200, 217, 260-1, 352-3, 372, 413, 445. *See also* housing costs, public housing, low-income housing
 low-income 29, 125, 142-3, 157-8, 164-5, 170, 178, 181, 200, 225, 240, 252-4, 261, 266, 280, 294, 356, 358, 368, 422, 446
 maintenance and operating costs 8
 marketing costs 51

market, Southern California 154, 158
 market-oriented 309
 middle-income 159-60, 240, 296, 299
 mobility in 121
 national policy 159
 noninstitutional 101
 nonprofit rental 284
 nonprofit sponsorship 41, 126, 142, 280, 296
 occupancy 195
 private enterprise 282
 proportion of income paid for 158
 quality for 60-year life 426
 rental housing, for poor 249
 rent supplement 158, 160, 297, 298, 329, 444
 review of Federal programs 444-5
 services 121
 socially oriented 309
 subsidy 164, 250
 technology 2, 334-73
 trickle-down process 157
 turnkey 254, 275
 Watts 163
 zoning effect on 167
 See also lower-income families, mobile homes, private housing industry, rehabilitation, mass-produced house
 Housing and Urban Development Act of 1965 iii, 476
 Housing Assistance Administration 253, 278
 housing codes 3, 32, 111, 164
 housing costs
 central city 141, 176
 complete unit 50
 cost of money 58
 effect of building codes 50, 54, 167, 177
 Southern California 154, 165-6
 suburban developments 178-9, 229-30
 wage rates 58
 housing problem, Santa Barbara 257
 housing problem, self-help on 140-2
 Hudson River Valley Development 236
 Hunter's Point, San Francisco 271, 284, 286, 288, 290
 ICBO. *See* International Conference of Building Officials
 Ideal Cement Company 212
 immigration housing in Europe 280
 Imperial County, California 155
 incentive income 458

- income maintenance 247, 250
- income supplementation 457
- income subsidy 324
- income tax incentive, for home improvement 209-10
- industrial flight 214-15
- industrial parks 288
- industrial suburbia 366
- industry, role in urban problem solving 349
- Inner-City Cultural Center, Los Angeles 129
- instant rehab 353, 354, 362, 369, 377
- insurance companies, control of malpractice 362
- International Conference of Building Officials 9-13, 20, 22-3, 28, 31-2, 33, 59
- Inyo County, California 155
- irrigation 151
- Irvine Ranch 213

- Janss Corporation 153
- Janss Thousand Oaks 153-4, 156-7, 178, 190
- Jewish communities 125, 129, 134
- job flight in metropolitan areas 156, 183-5, 288
- job opportunities 365-6
- job training 246, 250, 456
- jobs and transportation 461
- Johns, George 287-9
- Johnson, Jeh V. 1, 24-5, 54, 56, 71-2, 77-80, 128-9, 130, 178-9, 200, 215-18, 275-6, 328-31, 344-5, 347, 358-61, 376, 410-11
- Johnson, President Lyndon B. iii
- Joint Capital Outlay Committees 61
- Jones, Victor 432-41, 471-3
- journey-to-work 178

- Kaplan and McLaughlin 296
- Kate Maremont Foundation of the San Francisco Bay Area 380, 283, 296
- Kent, Bernard 17
- Kent, Jack 471
- Kern County, California 155
- Kings County, California 155
- Kliment, Stephen A. 17
- Knox, Assemblyman John 435, 436, 450
- Kraft, John F. 458

- LAFCO. *See* Local Agency Formation Commissions
- labor unions
 - construction costs 69-70
 - contribution to new construction methods 61-2
 - in code revisions 22, 31
 - instant rehab 354, 377
- Lakewood Plan 198. *See also* Contract Cities Plan
- land assembly
 - difficulty of 47-51, 308
- land costs
 - and housing costs 176-7
 - California 47-9, 146, 156, 213
 - homebuilder's view 186
 - London 177
 - Los Angeles City 166, 177
- land development costs 54, 368
- land ownership by Government 183, 234-6
- land speculation 152, 203
- land subsidence 151
- land use
 - and housing costs 144
 - control 198, 201-6, 234-6
 - decisions 166
 - in San Francisco Bay Area 427
 - mal-coordination among Federal agencies 190
 - patterns 200-33
 - planning 198
 - policies 144, 148
 - state-Federal responsibilities 204-5
- La Que Report 13
- Larvin Company 44
- leadership building, for self-help 110, 111, 118
- leadership, fragmentation of official 175, 194
- League of California Cities 434
- leapfrogging 146-7, 202
- learning curve, for new technology 371-2
- leased housing program 259, 274
- legal aid services 121
- Leland Stanford University 61, 211
- Lembcke, Herbert 296
- LeMenager, Charles R. 386-96, 407, 409, 411, 414-16, 421-2
- Leonard, William 206-10, 217-18, 219, 221-8, 231, 233
- Lessinger, Jack 147
- Lévi-Strauss, Claude 103-4, 107
- Lewis, Ralph 42-3, 185-9
- life insurance companies 169
- limited-function regional government 464-9
- Lippmann, Walter 447
- Livermore, California 222, 224-25
- Local Agency Formation
 - Commissions 386, 387, 388, 390-1, 400, 402-4, 412-13, 423, 449, 463

- local government
 - chief mechanism for development 263
 - concept of 449
 - differences in traditions 467
 - effective size 420
 - lack of revenue 410-11
 - leadership 417-18
 - role in urban planning 261
 - structure in metropolitan areas 419
- Lockheed 220
- Lolli, General Andrew 4, 35
- Lonely Crowd, The* 237
- Lopez, Mrs. Vera 115-19, 130, 132, 134-5, 136-7
- Los Angeles, California 1, 28, 36, 38, 74, 86, 91-2, 93, 96, 98, 102, 117, 123, 125-6, 140, 142-3 147, 150, 159, 161-5, 166-7, 168-9, 172, 173, 175-6, 177, 180, 183-4, 186, 189, 193-9, 202, 210, 211, 212, 356, 362, 367, 375, 390, 412, 414, 443, 446, 448, 451, 453, 458, 460-3
- Los Angeles Building and Safety Commission 161, 167, 177
- Los Angeles Chamber of Commerce 184
- Los Angeles Community Development Project 115
- Los Angeles Federation of Settlements and Neighborhood Centers 113, 132
- Los Angeles Housing Authority 93, 192
- Los Angeles Regional Transportation Study (LARTS) 393
- Los Angeles Welfare Rights Movement 140
- Los Angeles County, California 39, 43, 114, 115, 117, 155, 157-8, 162-3, 190, 193, 389-90, 451, 461
- Los Angeles County Housing Authority 143
- Los Angeles County Human Relations Commission 142
- Los Angeles County-Orange County, as extended city 145
- lot-size, effect on housing costs 186-7, 222-4
- love, and building of the city 108
- low-income subdivision 215
- lower-income families 153, 159, 170, 171-3, 189, 329
- Lyons, John 1, 34-5, 64-6, 72, 84-5, 87, 200, 306-7, 347-8, 369-71
- McAteer, Senator Eugene 435
- McAteer Compensatory Education Act of 1966 455
- McCone Commission 161, 168, 191
- "maintenance" code enforcement 8
- Mann, Alec 192-3
- Manufacturing Employment and Industrial Location in San Francisco* 288fn
- Manvel, Allen 348
- Maremont, Alan 280-4
- Marin County, California 217, 222, 267
- Markelius, Sven 301
- Maryland 88, 412
- Massen, Mrs. Marion iv
- mass-produced house 347
- master plan 156, 164, 195, 199, 206-8, 217, 292, 308
- maximum room cost 33
- Medicaid 458, 460
- Medicare 460
- megalopolis 429
- Meriam, Theodore 396-407, 409-11, 414-17, 421-3, 425-6
- metallic raceway 73
- Metcalf, Mrs. Roosevelt 190-2, 193
- Metro-Goldwyn-Mayer 156
- metropolitan areas 145-6, 200, 381, 385, 421, 423, 429, 465
- metropolitan development 435
- metropolitan government 219, 226, 228, 230-2, 410, 418, 423-5
- metropolitan plant 205
- metropolitan-wide housing market 469
- Mexican-Americans 105, 123-24, 129-30, 131, 143, 163, 175, 191, 196, 418, 453
- Mexican Labor in the United States* 234fn
- Mexican Power 123
- middle-income families 208-9
- Milpitas, California 59, 214-15
- Miller-Unruh Basic Reading Act 455
- minority families 164, 165, 171, 178, 187
- minority groups 187, 189, 190, 284, 350, 444, 474. *See also* American Indian, Mexican-American, Negroes
- Minorities in the Metropolis* 161fn, 163
- mission orientation 352, 372
- mobile homes 59, 65-6, 69, 79-82, 87, 266, 275, 304, 328, 335
- Mobley, Fannie C. 89-91
- model building codes 9, 10, 12-13, 373
- Model Cities Program 239, 242, 244-5, 253, 265, 277, 279, 280-1, 445-7, 463-4
- "Modernizing Local Government" 379-80, 385, 427, 436
- "Modernizing State Government" 385

- Monsanto Chemical Corporation 334,
 348, 366-7
 mortgage insurance 168-9, 298
 Mothers Anonymous 106
 Mott, Ralph 17
 Moynihan Report 458
 Muruyama, Sho 91
 mutual aid 110-11, 124
 Muskie Intergovernmental Personnel
 Act 439
- Napa Valley, California 150, 214
 National Association for
 Advancement of Colored People
 260
 National Association of Counties
 408-9
 National Association of Home
 Builders 340
 National Association of Housing and
 Redevelopment Officials 23
 National Board of Fire Underwriters
 59
 National Bureau of Standards 63-4
 National Commission on Technology,
 Automation, and Economic
 Progress 14
 National Commission on Urban
 Problems iii, 1-2, 200, 433
 National Coordinating Council 12-13
 National Council of Senior Citizens
 39
 "national environmental council" 220
 National Fire Protection Association
 16, 17
 National Planning Association 430
 National Science Register 184
 National Urban Policy 430
 national value judgements 397
*National Woodwork Manufacturers
 Association et al. v. National Labor
 Relations Board* 72
 Negroes 96, 98, 103, 105, 106-7, 109,
 111, 121, 123, 129, 134, 157, 163,
 172, 175, 178, 180, 187-9, 196,
 200, 210, 223, 240, 241, 252, 253,
 271, 286, 331, 414, 417-18, 445,
 451, 453, 458, 460
 neighborhood centers 120-1, 431-2
Neighborhood Information Centers
 120
 neighborhood organizations 101
 new building techniques, drawbacks
 to adopting 59
 new cities, new towns 206, 213,
 301-2, 321, 353, 429-31, 470
 Newhall Ranch, California 213
 New Jersey 283, 416
- new products
 cost of approval 373
 slow acceptance 334-42
 volume of business needed for
 production 367
 "New Urban Frontier: New
 Metropolises for America, The"
 429
 New York City 78, 226, 240, 248,
 353-6, 358-9, 368, 369, 371
 New York-New Jersey-Connecticut
 Region 436
 North American Basic Science
 Research Center 156
 Northcentral Texas Council of
 Governments 441
 Northrup 156
 Northwood, Lawrence 108-13, 120-1,
 124, 125-7, 136
- OEO. *See* Office of Economic
 Opportunity
 Oakland, California 3, 23, 34, 210,
 214, 219, 274, 287, 431
 Oakland Redevelopment Agency 431
 Office of Economic Opportunity 99,
 107, 109, 142, 241, 244-5, 456
 Oliphant, Kenward S. 57-64, 66-8,
 70-4, 75-6, 88
 160-acre law 235
 one-man one-vote government 473
 O'Neill, Richard W. 1, 200, 224-6,
 272, 318-21, 327, 344, 362-4,
 375-6, 413, 414-16
 open housing 111, 294. *See also*
 fair housing
 Open Housing Commission of Los
 Angeles Community Relations
 Conference 144
 open space 152, 156, 187, 191-2,
 202-5, 216, 235, 317, 320, 428
 Operation Head Start 106, 119-20,
 128, 244, 245, 451, 458
 Orange County, California 47, 48,
 147, 149-50, 155, 186, 202, 378,
 389, 408
 overly compact development 147-8
 overspill 145, 154
 Oxnard, California 150
- Pabco-Gypsum 373
 Pacific Gas & Electric 212
 Pacific Southwest Regional Council of
 the National Association of
 Housing and Redevelopment Of-
 ficials 274
 Packard Bell 156

- Palo Alto, California 211, 222-3, 275
- Paine, Thomas 72-3, 349-53, 359, 365-66
- Palmieri, Victor 153-160, 163, 164, 166, 170-6, 178-9, 180-4, 186
- Panel on Engineering and Commodity Standards of the Commerce Technical Advisory Board to the Assistant Secretary for Science and Technology, Report of the 14*
- Parent and Children Observation Program 119
- Parent Teachers Association (P-TA) 271
- Pasadena, California 211
- Pearl, Lawrence 89-91
- Pellish, David 44, 57, 90-1, 292, 342, 346, 353, 374, 376-7
- Phantom Cities of California, The* 201
- Pico Rivera 130, 132
- Pitts, Robert 441
- Planned Development Zoning Ordinance, for flexible subdivision design 156
- planning 164, 206. *See also* "701"
 - planning grants
- planning for people 198, 217, 225, 228, 271-2
- Plastic Pipe Institute 375
- plastics
 - application problems 338
 - bathtubs 343
 - benefits to building consumer 335
 - building systems development 340-2
 - development costs 336-40
 - effect of codes 338
 - industry 334-49
 - labor practices 338
 - pipe 70, 304, 349, 355, 375-6. *See also* building codes
 - product testing 337-8
- Plumb, David 334-49, 367, 372
- point tower 304, 329
- Pomona, California 150, 186
- population growth, in Southern California 155
- poster as sign 305-6
- poverty and welfare 456-60
- poverty program 96, 98, 106, 107, 116-17, 118, 127, 132, 133, 135, 140, 244, 245, 460
- preassembled housing 360, 367-8, 370-1
- preassembly rehabilitation, minimum number for profit 363
- precut doors 72
- prefabricated housing 83
- preferential assessing 174
- Price, Arthur G. 41
- private agencies and poverty programs 119, 132, 135-6
- private enterprise, in development 293
- private housing industry 206-10
- problem families 276, 277
- programming capital improvements 437
- "projectitis" 307
- property tax
 - administrative savings with larger governmental units 384
 - alternative sources 384
 - assessments, undervalued 202
 - excessive reliance on 383-4
 - relief for elderly 39-41
 - two percent maximum levy proposal 53
- See also* Federal tax policy, homestead exemption
- public agency, in poverty program 116, 135-6
- public housing
 - Adult Training Program 116-17, 119
 - annual contributions contract 277-8
 - continued usefulness of 180
 - conversion 94
 - cost limits 94-5
 - criticism of 237-40, 246, 250, 444-5
 - design 282
 - dissatisfaction with 275
 - "family-type" 310
 - formula 277
 - income limits 284
 - large-family need 276
 - leasing program 270, 280
 - limitations on 33, 297, 299
 - Los Angeles 94, 125-6, 142, 144
 - new type needed 181-2
 - operating costs 254
 - referenda 274
 - related to overall city goals 266
 - Richmond, California 251-5
 - San Francisco 266, 290
 - scattered site 281, 319
 - social services 269, 280
 - testimony by tenant 115
- See also* Hunter's Point, Ramona Gardens
- Public Housing Administration 252, 266
- public land use, lack of policy 151
- Public Works Acceleration Act 461
- public education 264. *See also* citizen education

Quiet Crisis, The 476

- racial discrimination 450
- racial integration 178, 188
- Radburn, New Jersey 300-1, 321
- Ramona Gardens, Los Angeles 115, 117, 130, 192
- Rancho Conjo Light Manufacturing and Research Center 156
- RAND 353, 366-7, 372
- redevelopment, improved procedure for 292-3
- redistribution of income 448
- Redlands, California 42, 186, 188
- "red lining" insurance practices 168-9
- Reed, Mrs. Mildred 109
- regional airport needs 434
- regional councils of government 386, 412-13
- regional development program 439
- regional development, relation to planning 261, 468
- regional government 226, 227, 232-3, 428, 432-40, 466, 469, 470-2, 474
- regional housing policy 474
- regional open space and parks 434
- Regional Plan Association 226
- regional planning 204, 219, 230-1, 421-3, 427-8, 434, 437-8, 439, 464, 466, 471
- regional problems 427
- regional programming 438-9
- regional refuse disposal 434
- Regional Water Quality Control Boards 389
- rehabilitation
 - cost of 246-7, 331-2
 - incentive for 209
 - "instant" 353-5, 359-60
 - loans 90-1
 - organization for 364
 - preassembly of kitchens, bathrooms 354
- relocation housing program 113, 266, 310-11, 319, 332
- remedial code enforcement 8
- rental rate, 221(d)(3) 126, 319
- rent control 111
- rent subsidies 190
- rent-supplement. *See* housing
- research, building materials
 - continuity a necessity 63
 - on cooperative basis 346-7
 - systems approach 357-8
- research needed
 - nonproduct 16
 - special construction 29
- See also* building codes, research
- Reston, Virginia 301, 321, 357, 370
- retroactive code enforcement 91
- Rice, Edward 353-65, 366-72.
- Richmond, California 210, 214, 251-5, 274, 356-7, 360-1, 364-5, 371
- Richmond (California) Housing Authority 251-5, 276, 290
- Riverside, California 150
- Riverside County, California 155, 389
- Rogers, Archibald 302-3, 325
- Rockefeller, David 212
- Romex 414
- Ropp, William F. 17
- Rowan, Carl T. 137
- Rybeck, Walter iv, 95
- SCAG. *See* Southern California Association of Governments
- SPUR. *See* San Francisco Planning and Urban Renewal Association
- "701" planning grants 207-8, 217, 415
- Saarinen, Eero 315
- Sacramento County, California 202, 230, 389
- Sacramento Valley, California 417
- Safdie, Moscha 357
- safety standards 305
- Sailors Union of the Pacific* 234
- St. Francis Square, Western Addition A-1, San Francisco 296
- Salem, Oregon 67
- San Bernardino, California 150
- San Bernardino County, California 155
- San Bruno Mountain 212
- San Diego County, California 155, 202, 389
- San Fernando, California 150
- San Fernando Valley 154, 157, 163-4, 171, 175, 194
- San Francisco, California 34, 59, 74, 86, 149, 151, 200, 202, 210, 214, 216, 219, 221, 226, 228, 229, 236, 237, 251, 263, 267, 274, 276, 287-9, 291, 294-6, 307, 313, 315, 316, 318-19, 320, 322, 326-7, 329, 349, 374, 393, 441-3, 462, 464-75
- San Francisco Bay Area 19, 74, 150-1, 203-4, 220-1, 225, 251, 389, 427-8, 435-6, 437, 441, 464-71
- San Francisco Bay Conservation and Development Commission (BCDC) 434
- San Francisco Chronicle* 210
- San Francisco Housing Authority 290
- San Francisco Labor Council 287
- San Francisco League of Women Voters 427-9

- San Francisco Neighborhood Legal Assistance Foundation 286
- San Francisco-Oakland Metropolitan Area 251
- San Francisco Palace of Legion of Honor 200
- San Francisco Planning Commission 288, 289, 292
- San Francisco Planning and Urban Renewal Association 261, 265, 267, 271
- San Francisco Planning Department 292
- San Francisco Redevelopment Agency 271, 285, 286-7, 294
- San Joaquin Valley, California 213
- San Luis Obispo County, California 155
- San Mateo, California 318
- Santa Barbara, California 256-61, 263, 272, 349
- Santa Barbara County, California 155
- Santa Barbara News Press* 255, 258
- Santa Clara County, California 147, 149, 202, 211, 215-16, 234-5, 322
- Santa Clara Valley, California 202
- Santa Monica, California 211
- satellite communities 301, 321
- savings and loan associations, role for in housing financing 160, 168, 170, 189
- scatteration 171
- Schiller, Hans 475-7
- Schonborn, Jack 441
- school districts, segregation by 451
- school programs, inadequacies of 112
- scissor stair 304
- "Scope and Financing of Urban Renewal and Development, The" 430
- segregation. *See* discrimination
- self-help programs 106-7, 109-11, 119, 124, 128-9, 140, 143
- Senate Subcommittee on Executive Reorganization of the Government 302
- Senate Subcommittee on Housing 189
- service-oriented economy 401, 415, 425
- settlement houses 114-15
- Shelley, Mayor John F. 454, 464-75
- Shuman, Howard, iv, 374
- Simmons, Ken 432
- single-minded government agencies 232-4, 302
- Six-County Detroit Area Supervisors 385
- slim-tower apartment house 304
- "sluburbs" 167, 171
- Sluis, William 255-61, 267-8, 270, 272
- slums 109, 124, 130, 238, 239, 242, 245
- slum improvement 247
- "slurb" 221, 225, 327
- small area approach 110-11
- Smith, Chloethiel Woodard 1, 20, 54-5, 57, 72, 85-7, 129-30, 132, 140, 176-7, 200, 218, 219, 267, 312, 313-16, 324, 345-7, 365-6, 373, 422
- Smith, William G. 139-40
- smoke-proof stair tower 304
- social change 350
- social development of urban areas 111-13
- social planning 263
- social programs 241
- social scientist, from minority groups 106-7
- social service program 143, 282, 311
- social welfare manpower 109
- social welfare programs 112
- social zoning 199
- Society of the Plastic Industry 338
- sound transmission, control of 20, 26, 64, 71
- South Carolina 384
- Southern Building Code Congress 9, 12, 376
- Southern California 54-5, 151, 154, 156-8, 184, 185, 291, 378, 413
- Southern California Association of Governments 161, 194, 390-1, 393, 395, 400-1, 412, 437, 441
- Southern California Home Builders Association 68
- Southern California Rapid Transit District 462
- Southern California Residential Research Committee 165
- Southern Standard Building Code 12
- Spanish land grant system 146
- special districts in California 387, 450
- sprawl 145-53, 320, 327, 391, 422, 463, 468, 470, 474, 476
- Spray, Jesse 93-5, 116, 125-6, 142-3
- Standard Metropolitan Statistical Areas 381, 385
- Stanley, Mrs. Joyce 140-2, 143-4
- state government, role of 384, 392-5
- state responsibility 229, 423-5, 442
- states' rights 454
- state sophistication in urban problems 463
- Steadman, Robert 378-86, 407-12, 416-21, 423-27, 440
- Steel Pipe Institute 375
- Stein, Clearance 300

Stockholm, Sweden 301, 321, 326
 Structural Engineers Association 22, 30
Study of Code Enforcement and Parallel Social Services, A 8
 subculture, consideration of 131-2
 subdivision design 156
 subdivision regulations 202
 subdivision standards 186-8, 305, 328-9
 subprofessional, link with subculture 105, 109
 substandard housing 40, 158
 suburban social problems 109
 suburbanites 418
 suburbanization 145, 221, 470
 suburbs and exurbs 145-6, 237
 systems analysis 232, 309, 352
 systems approach to urban problems 352, 358, 373

Tampa, Florida 137, 425
 tax assessment practices, policies 150, 164, 167, 199, 258
 tax assessment reform 283
 taxes on socially motivated housing 283

Taylor, Jack 3-9, 19-20, 23-4, 26-9, 32-8

Taylor, Paul 213, 234-6

Teather, Ted 109

Temko, Allan 210-15, 216, 220-4, 226-7, 232-3, 235

TEMPO 349

technology, role in solving urban problems 349, 351-3

tenant education 284

Time magazine 103

Tishman Construction Company 359, 363

"total" institutions serving poor 99
 training

apprentices in building trade 77-8
 building officials 31-2

preassembly workers 369

training preassembly workers 369

transportation, in Los Angeles 176

transportation planning, San Francisco 471

Tulare County, California 155

turnkey housing. *See* housing

Twentieth Century Fund of New York, industrialized environment study 210, 220

Udall, Secretary of Interior Stewart L. 235-6
 uglification 202

under-assessment 383

underground utilities 63, 66-7, 87-8, 234

Underwriters' Laboratories, Inc. 13
 unequal assessment 383

uniform building and housing regulations, California 6

uniform building standards, for Federal agencies 6

Uniform Building Code 12, 28, 37-8, 58, 360, 373-4, 477

Union of South Africa, industrialized building study 24

United Community Effort, Inc. 115
 United Auto Workers 215

United States 22, 58, 145, 149, 154, 185, 193, 235-6, 262-3, 320, 336, 342, 348-50, 351, 379, 402, 409, 412, 425-7, 429, 435, 462, 465, 467, 475

U.S. Bureau of the Census 381, 384

U.S. Bureau of Family Services 459

U.S. Bureau of Land Management, Department of Interior 430

U.S. Bureau of Public Roads 219

U.S. Bureau of Standards 13, 16, 21, 87, 303-4, 322, 328, 333

U.S. Corps of Engineers 219

U.S. Department of Health, Education and Welfare 267, 366, 450-1

U.S. Department of Housing and Urban Development iv, 13, 21, 23, 89, 94, 108, 126, 142, 143, 159, 169, 192-3, 218-20, 230-1, 253, 267, 353, 361, 366, 395, 404, 434, 435, 437-8, 441, 449, 474

U.S. Department of the Interior 236

U.S. Department of Transportation 366,

U.S. Division of Child Welfare Services 459

U.S. Office of Education 455

United States of America Standards Institute (USASI) 13, 16, 64, 75, 87

University of California 62, 237, 288, 310, 323, 432

Unruh, Jesse M. 441-463

Unruh Preschool Act 455

Upland, California 42-3

urban affairs, department of 419

urban affairs, Federal role in 454

urban areas, percentage of population in 107

Urban Beautification and Improvement Program 476

urban blight 256

urban design 154, 215-18, 292-307, 313-18, 319-20, 324-6. *See also* design

- urban development 108, 145, 149, 152, 321, 332
- urban development corporations 431
- urban fringe 200, 201
- urban government, fragmentation of power 162
- urban growth 175, 193-9, 201, 203, 211
- Urban Homestead Land Grant Act 431
- urban islands 202
- Urban Life Institute of the University of San Francisco 428
- urban poor 96-101, 443
- urban population growth 429
- urban problems 103, 110, 121
- urban redevelopment, renewal 8, 43, 111, 123, 137-9, 141, 144, 180, 190, 219, 239, 257, 258, 282, 286, 291, 431, 445, 447
- Urban Renewal Administration 215, 445
- urban riots 165, 168
- urban systems 352
- urbanization 202, 429
- urbanized town center 156
- utility costs, significant to builders 147
- utility company policies on charges 147
- VA. *See* Veterans Administration
- Vallejo, California 210-11
- Valley Association of Governments 400
- Vallingby, Sweden 301, 321
- Vandergriff, Tom J. 1, 28-30, 31, 55-6, 69-70, 132-4, 136, 174-5, 200, 230-2, 267-8, 326-8, 361-2, 368, 407-10, 452
- Venice, California 140, 141, 166, 183
- Ventura County, California 153, 155, 414
- Veterans Administration 49, 50, 152, 179, 191-2, 351
- Veterans of Foreign Wars 236
- vinyl house siding 339, 346
- Virginia Association of Counties 424
- voluntary boundary agreements 390
- Volunteer Service to America (VISTA) 431
- voter education 232
- Washington, D.C. Council of Governments 385
- water, relationship to land use 213
- water pollution 203, 238, 416
- water quality, in San Francisco Bay Area 472
- Watts, Los Angeles 43, 89, 91, 98, 102, 121, 127, 130, 139, 163, 165, 169, 170-1, 173, 174, 181-2, 191, 193, 197, 211, 365, 442, 445-6, 453, 455, 458, 460
- Weaver, Robert 192, 271, 290, 296
- Weidesime, William 373-4
- Weinberg, Lawrence 44-57, 58, 63, 68
- welfare humanization 122
- welfare recipient view of public, private agencies 116
- welfare recipients 140-1, 255, 457
- Western Addition, San Francisco 286-7, 289, 319
- Westinghouse 156
- Westminster Neighborhood Association of Watts 127
- White Supremacy 125
- Williams, Paul 357
- Wood, Samuel E. 201-10, 215-16, 218-19, 221, 224-5, 227-8, 229, 230-1, 233
- Woodbury, Coleman 1, 19-20, 82, 87, 123-5, 182-5, 200, 205, 214, 226-7, 228, 268-71, 276, 366-8, 418-22, 452-3, 474-5
- workable program 257-8, 265, 276, 279
- Working Class Suburb* 215
- Wright, Henry 300
- Ziegler, Raymond 3, 14-19, 21-2, 23, 24, 33-5, 56
- zoning
 - alternative to 182-3
 - and code enforcement 20
 - and land speculation 152-3
 - criticism of 289
 - detriment of low-cost housing 414
 - discriminatory 150, 207
 - industrial 165
 - large-lot 208
 - mobile homes restrictions 65-6
 - negative aspects of 173-4, 196
 - not coordinated with planning 164-5
 - Proposition 4, in California 174
 - social 199
 - responsibility missing 206-8, 260
 - effect of no-zoning 272
- zoning powers
 - retain for small governmental units 405, 421
- zoning variances 167. *See also* agricultural zoning



